

Business Support Organizations and Intellectual Property

Helping firms harness intellectual property for sustainable and inclusive economic growth



The International Trade Centre and the World Intellectual Property Organization are pleased to bring you this joint publication. To find out more about our work, and to contact us for customized assistance, please use the links below:

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[Why Intellectual Property Is Essential for Your Business \(wipo.int\)](https://www.wipo.int)

[IP for Business Division \(wipo.int\)](#)



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Introduction

Intellectual property supports competitiveness and growth

The highly globalized and interconnected world of today means that doing business has for the most part become easier, particularly in allowing a very small company on one side of the world to reach and transact business with a buyer on the opposite side.

But, to stand out from the crowd, a business must constantly innovate and be creative. Using the intellectual property (IP) system, a business can capture its innovative and creative outputs and control their use by third parties. As the level of innovation in goods and services increases, so too does the importance of IP as a means of protecting and extracting value.

IP is therefore of strategic importance to firms. It is also of strategic importance to economies seeking to diversify their economic base by supporting firms in emerging sectors, enabled by innovation, new technologies and traditional knowledge, and supplied via new channels to market.

Effective use of IP requires that governments and business support organizations (BSOs) have a thorough knowledge of the opportunities to create competitive advantage for firms through effective use of IP. More broadly, governments, sectors and firms should benefit from an overall business environment that helps to harness innovation and creativity as a response to a volatile and uncertain economic context.

However, despite the mounting evidence of the importance of IP for business competitiveness, most companies do not use the IP system. The reasons for this include lack of knowledge about IP rights, a perception that registration procedures are complex and costly, and the high cost of enforcing those rights. To this can be added the lack of accessible IP information and advice.

BSOs that are on the front line of SME support can step into this breach to provide access to IP information and first-level guidance that would assist businesses to make the decisions that are important for their success. Accordingly, BSOs need to be aware of the opportunities provided by the IP system and be equipped with the knowledge and the tools and processes to help businesses navigate this environment.

The International Trade Centre (ITC) and the World Intellectual Property Organization (WIPO) are joining forces to support BSOs to integrate IP advice and solutions into the portfolio of services they provide to businesses, enabling them to use the IP system effectively in their competitive strategies. Through this joint initiative, business-friendly IP materials, tools and training will be provided so that BSOs can provide free or low-cost, easy-to-understand support to firms on IP management. This guide constitutes part of this combined response.

WIPO tools and materials

This guide supports the navigation, application and effective use of existing WIPO tools and materials as set out below.

- **WIPO IP Diagnostics:** an online IP self-assessment tool that poses a series of questions designed to capture the IP-related issues in a business. The answers to these questions result in an automatically generated report that identifies the IP assets that reside in the company and what the user could consider doing with those assets to support its business objectives, www.wipo.int/ipdiagnostics/en
- **Creative Expression:** An Introduction to Copyright and Related Rights for Small and Medium-Sized Enterprises (2023), www.wipo.int/publications/en/details.jsp?id=4640&plang=EN
- **Enterprising Ideas:** A Guide to Intellectual Property for Startups (2021), www.wipo.int/publications/en/details.jsp?id=4545&plang=EN, and an accompanying infographic, www.wipo.int/sme/en/enterprising-ideas
- **Looking Good:** An Introduction to Industrial Designs for Small and Medium-Sized Enterprises (2019), www.wipo.int/publications/en/details.jsp?id=4388&plang=EN
- **Inventing the Future:** An Introduction to Patents for Small and Medium-Sized Enterprises (2018), www.wipo.int/publications/en/details.jsp?id=4350&plang=EN
- **Making a Mark:** An Introduction to Trademarks for Small and Medium-Sized Enterprises (2017), www.wipo.int/publications/en/details.jsp?id=4208&plang=EN

These materials are available in all UN languages. BSOs may consider going the extra step to adapt these materials to the national context by translating them to the local language and by integrating local legislative, administrative and procedural information to make them more relevant and useful to the businesses they support.

The end objective of this proposed engagement is that BSOs will have sufficient understanding of the IP system to be able to provide businesses with basic and first-level guidance on the relevance of IP for their business and risk management strategies.

There is no expectation that the BSOs will have expertise in IP issues and be able to answer technical and legal questions that the businesses may have. In these cases, the businesses should be guided for support toward other service providers, primarily their national IP office and the IP and other specialists operating in their country. This document will serve as an intermediary guidance document for this purpose. It is intended to support BSOs in engaging with firms that have applied the WIPO IP Diagnostics tool. It ensures that BSOs are equipped to answer firms' questions and explain the findings of the diagnostic reports. It follows the structure of the WIPO IP Diagnostics sections, providing BSOs with a single reference document that outlines basic information and directs it to further information in the guides. This document, and the tools and materials referenced in it, is designed to provide BSOs with awareness-raising, strategic and operational guidance so that they can help firms face the challenges and opportunities of harnessing their innovation.

It is organized into two substantive sections that complement each other but which take different perspectives.

The **first section** will be of most interest to leaders of BSOs. It reviews the ways in which a consideration of IP affects the strategic choices BSOs make about sectors, markets, customer segments, core organizational competencies, risk management, results measurement, and delivery partners.

The **second section** is the technical guide for frontline BSO staff. It is intended to give them knowledge about the core concepts and tools so that they can better help businesses to improve their knowledge of the challenges and opportunities of IP and understand the ways in which they can harness IP in their business.

Section 1

Shaping organizations

Strategic considerations

The definition, scope and role of a BSO

BSOs are public or private organizations that provide services to firms to help them succeed. The definition includes trade promotion and investment promotion agencies that receive public funding, as well as chambers of commerce, sector associations, business associations, incubators, accelerators, networks and federations that are funded by members, clients or donors.¹

BSOs help businesses to succeed through targeted services. Most BSO services combine several of the intervention types below:

- providing timely and relevant information and analysis,
- supporting collaboration among firms for economies of scale and scope,
- developing networks and paths to new markets,
- allocating resources to underserved or marginalized groups, or to protect the environment,
- acting as a credible bridge and advocate between the public and private sectors,
- building and harnessing country and sector brands.

BSOs also help governments achieve broader macroeconomic objectives for growth, diversification, sustainability and inclusiveness by prioritizing certain sectors, markets, customer segments or growth enablers (e.g., technology, e-commerce, IP and access to finance).²

These interventions mean that more businesses choose to take an ambitious path for growth – and more succeed.

When individual firms make those choices, they create positive spillovers for the economy as a whole, creating productive linkages, jobs, innovation and social cohesion. For example, by some estimates, 1 dollar spent on export promotion generates USD 87 of additional exports and USD 384 of increase in GDP. BSOs' work can have a significant multiplier effect on the local economy.³

1 The term BSO does not refer to professional advisory or services companies offering services to firms – e.g., lawyers, accountants, freight forwarders – but could, for example, include a sector association of freight-forwarding companies.

2 For more detail on the ways in which BSOs create value, in particular in an uncertain world, see <https://intracen.org/news-and-events/news/blog-resilience-and-recovery-for-good-business-support-organizations-critical>

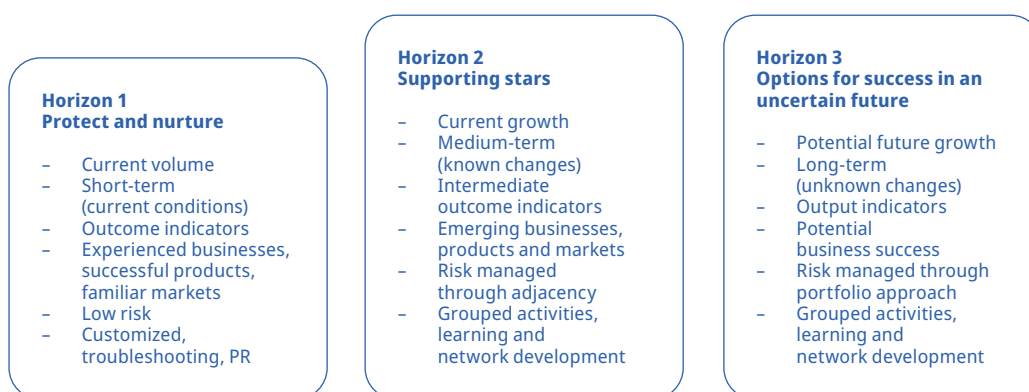
3 For background on this calculation see <https://intracen.org/media/file/2887>

Key strategic choices for BSOs and considerations of IP

To maximize the value they create for their complex group of stakeholders, BSOs must make choices about providing support for existing sectors, markets and clients. At the same time, they need to ensure they are harnessing opportunities in emerging sectors and markets and creating a conducive environment for innovation, inclusiveness and agility in an uncertain future world.

This is the Horizon model, and it allows BSOs to determine how they might allocate resources today to best support current and future success. The percentage of resource and attention provided to each of these horizons is one of the most critical strategic decisions of BSO leadership. It can profoundly shape the organization. Research on the effectiveness of trade promotion organizations (TPOs) demonstrates the value that BSOs create by increasing the diversity of products and markets under Horizon 2.⁴

The diagram below sets out these three strategic horizons for a BSO involved in supporting trade-led growth.



Source: WIPO.

When we consider the nature of the emerging sectors under Horizon 2 and the growth opportunities and risk reduction that can be encountered in both Horizons 2 and 3, it becomes apparent that success will be highly dependent on firms harnessing IP. Unless BSOs can help firms to do this well, they will fail in their strategic objectives.

Emerging growth opportunities require sophisticated management of IP

Under Horizon 2, we see the emergence of sectors that are dependent on good IP management.

The technology sector profits from the protection of engineered solutions, algorithms and brands. The creative sector builds value through unique and protected brands, designs, music and visual elements, including those of indigenous populations. Services subsectors – financial, professional, franchising, education and consulting – create scale by productizing knowledge.

As well as these growth sectors, sectors that are more traditional (agriculture and manufacturing), particularly where firms are moving up the value chain, are increasingly enabled by strong brands, unique design and customized technology. For these reasons, strategies for growth and for risk mitigation in both traditional and emerging sectors depend on individual firms making the most of their IP.

Future success relies on fostering and supporting innovation ecosystems that build IP value

Under Horizon 3, where there is considerable uncertainty, BSOs should seek to intervene to improve the business conditions and ecosystems that support agile and innovative responses.

4 Volpe Martincus, C. and J. Carballo (2008). Is export promotion effective in developing countries? Firm level evidence on the intensive and extensive margins of trade. *Journal of International Economics*, 76(1), 89–106.

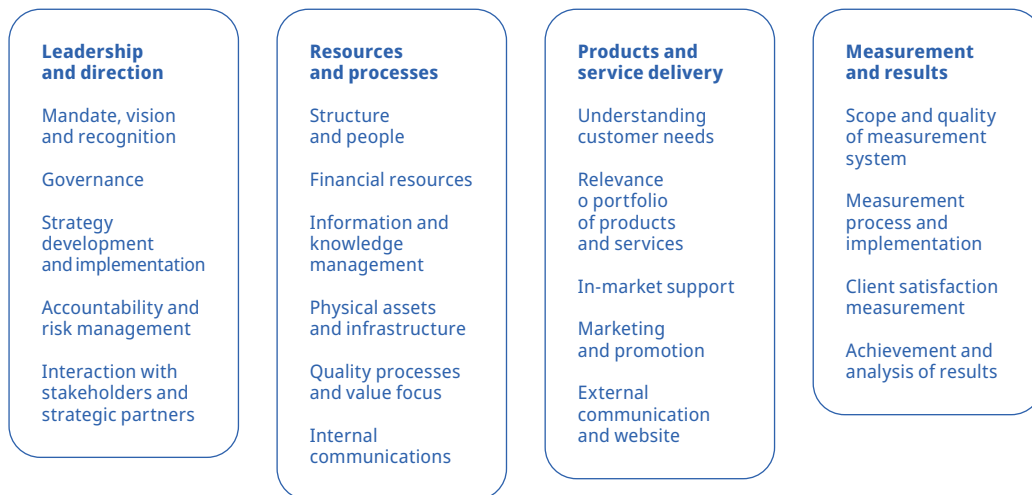
This means influencing policy settings, offering new services like prototyping, and investing time and resources in the incubation and acceleration of a portfolio of startups and other firm-level innovations, knowing that not all ideas will succeed. If IP is prioritized and managed, the investment across the board will be repaid by the direct and indirect benefits accruing to the few that grow and achieve sustained results.

Operational excellence

To harness IP, BSOs must be fit for purpose

Like all organizations, excellence for BSOs is derived from an interconnected set of “core muscles” or frameworks that foster good leadership, sound decisions, product and service excellence, and acceptable value for money. These core muscles can be grouped into four areas: leadership and direction, resources and process, products and services, and measurement and results.⁵

Within these four areas are elements and processes that should be reviewed by BSO leaders. Modifying these elements of performance will shift the attention given to IP by the BSO and mean that, through new levels of BSO support, more firms are able to create and sustain value through IP. These elements of performance are set out below and addressed in more detail in the paragraphs that follow.



Source: ITC Benchmarking for Trade.

5 The ITC has assessed hundreds of BSOs using this framework to identify and build BSO excellence. To access this assessment model see the ITC Benchmarking platform, www.itcbenchmarking.org

Leadership decisions must be coherent with BSO offerings in IP

Leaders of a BSO must seek coherence between their mandate and their activities. This is to determine whether they are on a solid footing to build a service offering in this area or if they should restrict their activity to referring businesses to a relevant alternative. Connected to this issue of mandate is the strategic allocation of resources by leadership to the three horizons described above. The stronger the leadership appetite for the allocation of resources to Horizon 2 and Horizon 3 activities, the greater the need for the BSO to help firms to harness IP. In a further connection, the greater the allocation to Horizon 2 and 3, the greater the risk due to the uncertainty related to future conditions. BSO leadership needs to understand the risk implications of their decisions in this regard.

Understand the role of the BSO within a business support ecosystem

Whether or not the mandate includes helping firms with IP matters, it is possible that there are overlaps or gaps within the business support ecosystem that need to be managed with care to ensure the best possible experience for firms. This might mean extending the mandate to respond to a gap in the offering around IP, or it might mean working in partnership with a complementary organization to deliver a joint solution. In either case, if a BSO starts to pay more attention to firms' IP-related needs, it will need to also pay attention to (and actively manage) the new types of partner and the new types of engagement that will meet these needs.

These new partners should include improved connections and stronger networks of universities, research organizations and IP experts, regular engagements with national patents office and WIPO representatives, and an improved list of credible referrals to IP lawyers, brand experts, designers, prototyping services and so on. At governmental level, a BSO focusing more on innovation and IP may also need to nurture relationships with a new set of government departments and ministries.

Change requires an alignment of the strategy with structures and processes

To implement a strategic decision to help firms harness IP, BSOs must also give consideration to the access and positioning of key knowledge, people and financial resources within the organization. To signal the importance of this new area of support, a new expert and senior role may need to be established, or all frontline staff might receive training on this new area of business expertise. It might require access to new sources of knowledge or data.

Any standard procedures for selecting and engaging with firms and diagnosing their needs may need to be adapted to these priorities. All these internal changes will need to be supported with effective and timely internal communications.

New IP service offerings should be targeted and built on sound knowledge of micro, small and medium-sized enterprises' needs

To understand the IP needs of micro, small and medium-sized enterprises (MSMEs), specialist diagnostic tools can be easily adopted and deployed, as long as the BSO has good channels for directly engaging with their client base. Section 2 of this document provides information to BSO technical staff on the highly targeted WIPO IP diagnostic tool and the basis for its use.

However, in many cases, a BSO that focuses more on supporting innovation will be dealing with small, immature firms facing a number of interrelated constraints.⁶ This means that the small firms that seek BSOs' help on IP are also likely to need a broader and carefully phased set of solutions including market and competitive intelligence, access to finance, support with quality, packaging, marketing as well as basic business skills. Building a new offering in IP for an emerging and new client base, therefore, implies reviewing the resources allocated across the whole service portfolio.

6 As well as the WIPO IP Diagnostics described in Section 2, BSOs can also access a broad-based firm diagnostic tool on the ITC Benchmarking Platform, www.itcbenchmarking.org/our-tools/business-support-organizations/client-support

To support this process of review and the design of a new service, the needs of both existing and potential new MSME clients should be well understood. Although engaging with existing clients should not pose a significant challenge, outreach to potential new clients may require new partners (incubators, accelerators, business associations, etc.) and new sources of data (e.g., new business registration information). New channels and styles of communication are also likely to be needed for a new “high-IP” segment of clients.

Client management processes and systems may need to be adapted

An updated understanding of clients’ needs for support in harnessing IP will not be useful unless it can be captured for filtering, selection, segmentation and reporting. This might require new fields in existing templates or customer relationship management systems that identify MSMEs with specific types of IP (see Section 2 for a description of the different types of IP). A new IP-related field will help to target external communications to specific audiences, support resource allocation decisions and enable measurement, evaluation and reporting.

Measuring the right things well will support the strategic shift

With any change to a strategic direction (in this case, allocating more resources to high-innovation companies with the ability to harness IP for competitive advantage), it is important to select and embed new corporate and individual indicators that will measure progress, test and refine different approaches, improve future decision-making and provide key inputs to divisional and corporate reporting.

These new indicators need to be balanced, providing information about several interconnected elements of change, with both short- and longer-term perspectives. For a strategic shift that involves supporting new high-growth companies to harness IP, these indicators could include all or a selection of those in the table below, cascaded from management to appropriate staff.⁷

Objective of the indicator	Definition of the indicator	Cascade to
Building BSO expertise	Number/percentage of staff completing training on IP protection and commercialization	Managers of frontline staff HR
Growth of new client segment	Number of new clients in IP/innovation segment	Relevant frontline staff Marketing
Service delivery	Number of clients accessing new IP-related services	Relevant frontline staff Marketing
Client satisfaction	Net promoter scores for IP services	Relevant frontline staff
Outcomes for clients	Number/percentage of clients making changes in relation to creation, protection, and monetization of IP	Relevant managers
Outcomes for economy	Growth in contribution to GDP of innovation and IP-led sectors	Senior leadership

“Culture eats strategy for breakfast”⁸

While all these elements of BSO excellence need to be in place for a new or refreshed offering in IP to be a success, equally important is an organization culture that is:

- client-centric, with people who understand the challenges and ambitions of MSMEs,
- purpose driven, with a high-level vision acting as a lodestar when dealing with volatility and uncertainty,
- results-focused, determined to go beyond training MSMEs to helping them make the changes that support real competitiveness gains,
- prepared to embrace and manage risk without fear of failure,
- proactive and generous in engaging with delivery partners for a seamless client experience.

7 The ITC has tools and standardized approaches to help BSOs improve their measurement and reporting frameworks. Contact us to find out more at ITC Benchmarking, www.itcbenchmarking.org

8 Peter Druker’s provocative statement is explained here [What Does Culture Eats Strategy for Breakfast Mean?](http://www.thecorporategovernanceinstitute.com/insights/lexicon/what-does-culture-eats-strategy-for-breakfast-mean) (thecorporategovernanceinstitute.com), www.thecorporategovernanceinstitute.com/insights/lexicon/what-does-culture-eats-strategy-for-breakfast-mean

Fixing a negative organizational culture is a long and difficult process because of ingrained and unconscious behaviors, exacerbated by both positive and negative incentives. BSO leaders can access a range of tools to improve organizational culture, from the inspirational to the intimidating.⁹

Service design

An integrated approach for service excellence via a connected and complementary ecosystem

When all the elements of high performance are combined, a BSO will be well positioned to design and deliver IP support solutions as the relationship manager and connector within an ecosystem. In practice, this integrated service offering could involve the following steps, which are likely to be iterative rather than linear:

Outreach and broad communication on the importance of harnessing IP, and marketing of services to targeted groups

This could take the form of highlighted content on a website, articles and opinion pieces in both social and traditional media, events and forums.

Developing and delivering training programs on IP in conjunction with network partners and experts

With a more targeted approach, firms could be individually invited to join a training session on IP. This would include engaging with local IP support partners and would help filter the pipeline of interested firms to those with the capability and commitment to benefit from further support.

Diagnostics of IP support needs for individual MSMEs

Using the WIPO IP Diagnostics tool described in Section 2, selected firms would be invited to carry out a self-diagnostic of their needs for IP support and coached to translate this into action.

Frameworks, examples and templates for an IP action plan

To help MSMEs establish an IP strategy and plan based on their identified needs, the BSO can offer standardized templates and examples of good practice, and offer review and peer support.

Identification of key support points within the IP plan

The BSO could work with each firm to identify those parts of their IP strategy where external support would be needed – e.g., legal, design, prototyping, financial, research. This would include the identification of sources of support within the ecosystem and appropriate referrals.

Setting of check-in points during the process

To ensure the MSME is receiving the identified support and making good progress on their plan, the BSO should allocate resources to check in with the firm and the relevant partners.

Facilitation, if resources and mandate permit, of a grant or voucher scheme

Some BSOs manage government funds to support MSMEs tackle the costs and cashflow issues related to growth. These could be adapted to include vouchers for firms to access support from accredited experts in both the public and private sectors, helping to cover the upfront costs associated with harnessing IP. This investment of government funds in firm costs is justified by the positive spillovers to economic diversification, innovation culture, value addition and country branding that result from more firms harnessing IP.

Opportunities for peer-to-peer learning and network development

Leaders of small firms appreciate connecting with and learning from their peers. BSOs have a role in facilitating conversations among firms that share similar challenges, in building clusters of firms to benefit from economies of scale and scope, and in fostering a combined and amplified voice for firms that harness IP as a competitive advantage.

9 www.forbes.com/sites/stevedenning/2011/07/23/how-do-you-change-an-organizational-culture/#1db6c10f3baa

Recognizing and celebrating success

Economies benefit in the longer term if role models and success stories support an educational and cultural shift so that, in the future, more people are equipped with the skills and ambitions to grasp the opportunities related to IP. Through communications campaigns, including awards and speaking opportunities, BSOs can create role models of success and demonstrate to stakeholders the value of the interventions and support that they offer.

Monitoring, evaluating and reporting

All services should have built-in monitoring and reporting mechanisms to learn, adapt, measure and report. This evaluation should include data on both firm-level and macro-level changes, recognize and attribute success to partners across the ecosystem, and be used to review and justify the allocation of resources to this group of ecosystem partners.

These different elements of the solution should be packaged as an integrated and cobranded service offering among the ecosystem partners, with a “no wrong door” approach to accessing the service. (For example, a firm can be referred to the integrated service via whichever is their first “touch point” in the ecosystem – a lawyer, the national IP office, the chamber, etc.) To incentivize this approach, the attribution of results must be to the set of partners as a whole, so that individual actors do not seek to take over the roles and mandates of others. All elements need to be designed to support an ecosystem, not an egosystem.

Different types of BSO; similar solutions

A review of the BSOs that currently offer IP support for MSMEs reveals that many different types of BSO have identified this as a problem that needs to be addressed. Below are some examples of services currently promoted by TPOs, specialized government innovation agencies, a broad-based economic development agency, and an incubator. In almost all cases, the value of the service is improved because of access to a network of experts and credible referral systems. This ensures that BSOs do not replicate the expertise and solutions offered elsewhere but use their client outreach and their central position in the ecosystem of business support to raise awareness and connect firms to the best sources of expertise and help.

Enterprise Singapore is a government-funded TPO. It has partnered with the Agency for Science, Technology and Research and a network of other innovation-led organizations to offer the Innovation and Enterprise Fellowship Programme (IFP). In response to government ambitions to drive innovation, the program aims to grow the pool of deep tech talent in Singapore, support the commercialization of deep tech research, and bring nascent technologies to market. The 12- to 18-month program trains mid-career professionals to develop technology commercialization skills through on-the-job training and attachments at appointed IFP partners. Through the program, fellows gain exposure to areas such as productization, IP management and technology screening. www.enterprisesg.gov.sg/-/media/esg/files/media-centre/media-releases/2023/february/mr01123_expansion-of-the-innovation-and-enterprise-fellowship-programme.pdf

In addition to this targeted program, Enterprise Singapore also offers grants for business growth, for which costs associated with IP are eligible. www.enterprisesg.gov.sg/financial-support/enterprise-development-grant

The Innovation Factory in Belfast is part of Oxford Innovation Space, a network of centers supporting businesses with flexible workspace, business support and partnerships with local enterprise ecosystems. Tenants have access to a masterclass program that includes training, networks and mentoring on issues of IP. www.innovationfactoryni.com/business-support-in-belfast

Callaghan Innovation is a government agency supporting hi-tech business in New Zealand. To support businesses to fully harness the intangible assets of their business they offer a “Beyond IP” training program. For a period of up to 12 months, participants work with asset experts to identify the unique assets of their firm. They also receive help to build and implement a strategy to maximize these assets. www.callaghaninnovation.govt.nz/learning/beyond-ip

TechAlliance is the Province of Ontario's regional innovation center. It provides advice, experiences and access to capital to launch startups and accelerate scale-ups. They help build awareness of the types and importance of IP and provide links to the specific services offered by the network. <https://techalliance.ca/intellectual-property>

Enterprise Estonia is the broad-based economic development agency for Estonia. Among its service offering is an advanced diagnostic service on firms' innovation maturity. Enterprise Estonia evaluates a company's existing processes and innovation capabilities, and identifies strengths and weaknesses. It also prepares a comprehensive report with proposals to support a company in carrying out activities that need to be developed. <https://eas.ee/services/innovatsioonivoimekuse-diagnostika>

The task ahead for BSO leaders

When ambition, resources, understanding and behaviors coincide, BSOs can be the catalyst needed for MSMEs to harness IP. This creates competitive advantage for firms, while also responding to broader macroeconomic goals and shaping the business environment for the future. BSO leaders, with an eye to current and future challenges, should ensure that their teams are generally knowledgeable about the nature and the value of IP, that they have the tools and resources to deploy in order to engage with MSMEs on this topic, and that partnerships are in place with critical specialist experts.

In support of these tasks, Section 2, which follows, is designed as a technical guide for frontline staff, providing the general knowledge and the diagnostic tool that they need.

Section 2

Using WIPO IP Diagnostics

Key concepts

Using the IP system to further the business objectives of a company

The IP system enables people to capture the outputs of their innovations and creativity and be able to control their use.

Through the IP system, rights can be acquired over new ideas, innovative products and processes, confidential information, creative materials, original designs and distinctive business signs. These can be protected under different rights provided by law, which spells out what these rights are, stipulates the conditions for obtaining them and indicates how they may be acquired. Each right is separate, though there are some similarities in the conditions that apply, how they are obtained and the rights that accrue. Successful products often rely on multiple IP rights used in combination with each other.

A number of studies undertaken in Europe, as well as a seminal study undertaken in the United States of America,¹⁰ have demonstrated the value of IP to the economy, to employment creation and to business value. The main findings of the latest such study conducted by the European Union IP Office (EUIPO), “IPR-Intensive Industries and Economic Performance in the European Union” (2022),¹¹ are summarized below:

- IPR-intensive industries generated 29.7 percent (61 million) of all jobs in the EU during the period 2017–2019;
- 39.4 percent of all employment in the EU (81 million) could be attributed, directly or indirectly, to IPR-intensive industries;
- 47 percent of the total economic activity (GDP) in the EU was attributable to IPR-intensive industries, worth EUR 6.4 trillion;
- the contribution of IPR-intensive sectors to employment and economic activity had increased compared to the previous (2019) study;
- IPR-intensive industries accounted for most of the EU’s trade with the rest of the world and generated a trade surplus, thus helping to keep the EU’s external trade balance in surplus;
- IPR-intensive industries also accounted for the bulk of trade among EU member states; such intra-EU trade exceeded EU exports to the rest of the world;
- industries involved in climate change mitigation and in marketing goods and services related to sustainability and environmental protection played an important role in the EU’s economy.

¹⁰ Intellectual Property and the U.S. Economy: Industries in Focus www.uspto.gov/sites/default/files/news/publications/IP_Report_March_2012.pdf

¹¹ https://euiipo.europa.eu/tunnel-web/secure/webdav/guest/document_library/observatory/documents/reports/IPR-intensive_industries_and_economic_in_EU_2022/2022_IPR_Intensive_Industries_FullR_en.pdf

However, despite these facts, a majority of companies, particularly small companies and even in the developed world, do not use the IP system. According to another study, "Intellectual Property Rights and Firm Performance in the European Union," from 2021,¹² fewer than 9 percent of SMEs in the sample owned one of the three IP rights included in the study.

This section will introduce WIPO IP Diagnostics, an online IP self-assessment tool, and provide BSOs with basic information on IP management, with further information available in the IP for Business guides referred to earlier and linked to in this document. Using these resources, a BSO will be able to take a small business user through the questions in WIPO IP Diagnostics and help them understand the report that is generated in response to the user's answers. We believe that this guidance and the package of material referred to will largely suffice to provide the first-level guidance that is required.

WIPO IP Diagnostics

WIPO IP Diagnostics (www.wipo.int/ipdiagnostics/en) is a free IP self-assessment tool that helps businesses identify their IP assets. The IP assessment is in the form of two questionnaires. The first is a "pre-assessment" that consists of 10 questions that are designed to capture the main areas of intersection between IP and the business.

Pre-assessment
basic questions regarding your business

Have you developed a product, process, service or a technical modification that you consider new, innovative or unique?

Yes No

Do you generate materials like manuals, pamphlets, labels, or produce videos, software, newsletters, music clips, etc.?

Yes No

Do you use features like patterns, lines, colors or shapes to make the external appearance or the packaging of your product attractive?

Yes No

Does your business rely on information that you consider commercially valuable and that you do not want your competitors to have access to? ⓘ

Yes No

Do you use a logo or other sign to distinguish your products or services from those of others? ⓘ

Yes No

Do you rely on external suppliers, independent contractors or consultants for ensuring stocks, getting components, developing material, running advertising campaigns, etc.?

Yes No Don't know

Do you have or intend to create a website?

Yes No Don't know

Do you manufacture or sell products outside the country where your business is based?

Yes No

Do you have employees?

Yes No

Do you have access to intellectual property services or expertise?

Yes No

12 https://euipo.europa.eu/tunnel-web/secure/webdav/guest/document_library/observatory/documents/reports/IPContributionStudy/IPR_firm_performance_in_EU/2021_IP_Rights_and_firm_performance_in_the_EU_en.pdf

The answers to these questions inform the system about the areas that are relevant to the user and then the user is taken to the second set of questions. Here the areas identified are subjected to more detailed treatment, asking the user more specific questions. Once the questions in each of the sections have been answered, the relevant section is marked with a check mark and turns green, signaling that a report has been automatically generated. This report can be viewed in HTML format or downloaded in PDF format. The report summarizes the main areas of interest to the company and provide the company with a snapshot of their IP assets and how they may consider managing them for furthering their business objectives.

The tool also delivers two reports on the completion of the pre-assessment. These are on "Suppliers, Independent Contractors and Consultants" and "Access to IP Expertise." Additional information is also available for further reference through the link "More Information on IP."

The screenshot displays the WIPO IP Diagnostics interface. At the top, there is a navigation bar with the WIPO logo and links for Contact Us, Terms of Use, Privacy Policy, and English. Below the navigation bar, the main heading is "WIPO IP Diagnostics". A sub-heading explains that the tool is composed of several questionnaires activated based on user responses. A progress bar shows the "Pre-assessment: Basic questions regarding your business" as completed with a green checkmark. A "Re-start pre-assessment" button is visible. Below the progress bar, there are two sections: "Suppliers, independent contractors and consultants" and "Access to intellectual property expertise". A prompt encourages users to continue with the diagnostic by clicking on relevant sections.

The main content area is titled "Overview of WIPO IP Diagnostics SECTIONS" and features a grid of section cards. The "TRADEMARKS" card is highlighted in green and includes a checkmark icon and a list of icons (eye, document, pencil). Other cards include "CONFIDENTIAL INFORMATION" (lock icon), "DESIGNS" (crossed tools icon), "CREATIVE MATERIALS" (pencil icon), "INVENTIVE OR INNOVATIVE PRODUCTS OR PROCESSES" (brain icon), "EMPLOYMENT ASPECTS" (person with gear icon), "LICENSING" (checkmark in shield icon), "INTERNATIONALIZATION" (globe icon), "WEBSITE" (globe icon), "ENFORCEMENT" (shield with star icon), and "MORE INFORMATION ON IP" (question mark in speech bubble icon).

IP rights are powerful business assets. The holder of an IP right has the right to prevent competitors from making unauthorized use of that right. A trademark owner can prevent competitors from marketing identical or similar products under an identical or confusingly similar trademark – including possibly in a domain name. The owner of a design right can prevent competitors from applying the same design or a design that is substantially the same on their products. The holder of a patent can prevent third parties from making, selling or importing a product or process based on the patented invention. The holder of a copyright can prevent certain uses of its copyright works. The ability to control the use of their IP provides the owner with considerable advantages in the market: the ability to prevent imitators and free riders and gaining lead time and time to recover investment costs, for instance.

Trademarks are the bedrock of building a brand. They make the products stand out and capture the consumers' attention, making it easy for them to find the products they are looking for and are attached to. This lets the business build its brand image and reputation, allowing it to create a relationship of trust with its consumers and thus establish a loyal clientele and enhance the goodwill of its business. Trademarks can last a very long time, opening the opportunity for a long-term competitive advantage. Attractive designs are also part of the brand image of a company, making products stand out and capturing the consumers' attention. They can create a loyal customer following, which can increase the commercial value of the company and its products. Other IP rights also feed into the brand image. For example, a company that is considered innovative will strengthen its brand image by registering patents and keeping their valuable business information confidential, and protecting original and creative works will contribute to the brand image of a company that is creative.

Consumers are generally willing to pay more for a product bearing a trademark or design that appeals to them and that they recognize. This means brand owners can enjoy higher revenue margins than those that do not rely on building a brand. Consumers in turn are assured of the consistent quality that they have come to expect of the brand.

Companies that have a strong brand image also attract high-quality employees who find working in such companies appealing.

IP rights have value beyond serving the core business needs of the company. They often pave the way for the expansion of the business into other products and markets. They may be licensed to be used by others, allowing the business to gain a foothold in new markets while ensuring an additional source of income through royalties. Technologies required by the company could be obtained through cross-licensing arrangements in which each party agrees to authorize the other to use their patents. IP rights are assets and can be sold like any other asset. They can also serve as collateral for obtaining financing. Startups, in particular, which often rely on a single innovative or creative idea, will need to attract investment funds, and investors are interested in seeing that steps have been taken to protect the innovations and that IP rights have been obtained or at least applied for.

Likewise, future collaborators and partners are persuaded to work with companies that have taken steps to protect their innovations and have taken their brand image seriously.

Summary

IP rights refer to creations of the mind such as new product ideas, new ways of doing things, attractive designs, distinctive business signs, and creations such as music, songs, paintings and sculptures recognized in law as capable of being owned. Like physical property, they can constitute valuable business assets to a company.

Action point – Identify, using WIPO IP Diagnostics, the IP assets of and risks to the business.

Common mistake – Considering IP assets too late, that is, after someone else has appropriated them or when faced with an infringement suit.

Running the meeting

Whether a business approaches the BSO for support and advice on its business in general or on how it can use the IP system in particular, the BSO can engage the business in a discussion on the relevance of the IP system and how it can be used for business competitiveness.

The BSO should invite the business either to experience the WIPO IP Diagnostics tool on its own and return for a discussion of the report that is generated or to go through the tool together with the BSO and discuss the report.

Managing expectations – The BSO should inform and clarify to the business that the exercise they will undertake together is a very preliminary effort to identify potential IP assets in the business and to provide some preliminary guidance on the steps the business may take to protect, manage and exploit these assets. The role of the BSO is to provide general information about the IP system and processes, flag potential issues, and direct the business toward relevant specialized service providers that could help it on its way.

The BSO may consider setting this out early in the meeting by saying something along the following lines:

“We will assist you today to identify potential IP that your business holds and uses and provide general information about the IP system and the processes for registering and exploiting your IP. We are however not able to provide you with legal advice, or to assist you in the preparation or filing of documents relating to an application. You will need to seek legal advice from a patent or trademark attorney or IP lawyer on these matters.”

All documentation provided in publicizing and arranging the meeting should include a disclaimer covering this issue, such as:

“The information provided by [the BSO] does not constitute legal advice, is not intended to be a substitute for legal advice and should not be relied upon as such. [The BSO] does not review the accuracy and currency of the information provided, draw legal conclusions, provide legal advice, opinions, or recommendations about legal or IP rights, the validity of any IP rights the business or any other party uses or holds, or any remedies, defenses or strategies associated with the business or their IP rights. The accuracy of information is neither warranted nor guaranteed and the business uses the information at their own risk. We recommend that the business seek advice from a qualified business or legal professional before acting on any information received from [the BSO].”

Confidentiality – The client will be more comfortable discussing the business if there is an assurance that confidentiality will be maintained and, in any case, it is important to make the client aware that, with respect to some IP rights, the ability to protect them may be lost if they are disclosed before an application for registration is filed. Therefore, confidential information should not be disclosed unless a nondisclosure agreement (NDA) is signed between the BSO and the business before starting the meeting.

The value of IP – After these initial caveats, the BSO may introduce the client to IP and its relevance for business as explained in this document by talking about the fact that it is an asset much as physical assets (buildings, machinery, financial assets and infrastructure) are, but that IP is now increasingly more important than physical assets; that these assets are intangible and include IP rights such as trademarks, designs, patents, trade secrets and copyright; and that, regardless of the nature of the business, it is likely that the business is both creating IP and using the IP of others.

Small business owners are often skeptical when told that they may be creating IP. It is important to remind them that every business involves some form of IP. It may be the improvements that are made in the equipment that are used or produced. It may be the business name or logo that is used to distinguish the business from others in the market. It may be the illustrations that are created for the website, or the user manual that was written for the machinery it produces. It may lie in the network of suppliers or customers that have been built up over time. It could

be the knowledge and experience – the know-how – that the business and its employees have gained over the years. Or it may be the secret family recipe that has been handed down from generation to generation.

Even in traditional manufacturing sectors, continuous innovation is recognized as being a key to success in competitive markets. IP can assist a business in almost every aspect of its activities: from product development to product design, from identifying potential collaborators to attracting quality employees, from service delivery to marketing, and from raising financial resources to exporting or expanding the business locally and internationally through partnerships, licensing or franchising.

It is therefore important to identify these assets and understand how to protect and make the best use of them. If it turns out that some of these assets are not owned by the company but are the proprietary assets of others, then authorization to use or their assignment should be obtained to avoid a dispute and consequent expensive litigation.

The BSO may then proceed to ask some questions to understand the nature of the business. Possible questions are:

- What type of business are you in (e.g., manufacturing, engineering, retail, tourism, financial)?
- To what extent is the business innovative?
- Who are the business's competitors?
- Is the business in a niche market?
- Does the business have existing products or services on the market?
- Are the products developed in-house?
- Is there a new product being developed?
- Is this the first time a product is being taken to market?

These questions can provide some pointers to the type of IP that the business might hold and what issues are relevant to it. If it has previous experience in successfully developing a product to market, then it may have a good knowledge of IP rights. If it has existing products in the market, it may have established networks of suppliers and an established reputation. These points can help provide context for the answers the client provides but they can also help the BSO identify additional IP-generating aspects of the business that the client may not have thought of.

Having laid the groundwork to the meeting, the BSO may proceed to work with the company to understand the company's IP situation by initiating WIPO IP Diagnostics, to work with the company to answer the questions posed by the tool, and finally to discuss the ensuing report and agree a plan of action together.

Duration – It is estimated that the meeting will take at least an hour, including running the tool and discussing the report(s). However, the time required will vary depending on how many sections of the tool will be relevant to the client.

Summary

The role of the BSO is to provide general information about the IP system and processes, flag potential issues, and direct the business toward relevant specialized service providers that could help it on its way.

Action points – Manage expectations, include disclaimer and ensure confidentiality.

Common mistake – Creating the expectation of providing expert advice.

Trademarks

If the business answered yes to the question “do you use a logo or other sign (such as a name, words, combination of colors, logo, or any other sign) to distinguish your products or services from those of others” then it is directed to the “Trademarks” section and invited to answer a series of questions.

The answers to those questions will result in an automatically generated report reflecting the issues of relevance to the company based on the responses given.

The main issues that may arise in the context of trademarks are indicated below.

For more information on the topic of trademarks please refer to Making a Mark: An Introduction to Trademarks for Small and Medium-Sized Enterprises (2017) www.wipo.int/publications/en/details.jsp?id=4208&plang=EN

Enterprising Ideas: A Guide to IP for Startups (2021) www.wipo.int/publications/en/details.jsp?id=4545&plang=EN and an accompanying infographic www.wipo.int/sme/en/enterprising-ideas

What is a trademark?

A trademark is any sign that serves to identify and distinguish in the marketplace the products of a business from those of other businesses. These signs could be words, names, letters, numerals, drawings, pictures, shapes, colors, labels or any combination of these. The products that it identifies may be goods or services.

Consumers can relate the trademark to previous positive, or negative, experiences of that product or service. They can avoid products that have been unsatisfactory or they can develop a loyalty to a brand that they have enjoyed. This is a powerful business tool – many consumers have strong loyalties to, and biases against, particular brands based on their experiences of a company's products. Such goodwill is of significant value to a business.

How do you obtain trademark protection?

Legal protection for a trademark is obtained through filing an application to register a trademark at the local trademark office (for the office in your country please visit: www.wipo.int/directory/en/urls.jsp). In some countries, trademarks are also available through use in the marketplace, though a registered trademark is much stronger and more reliable.

The office will examine the application to determine whether the trademark should be granted. An application can be refused if the proposed mark is a sign prohibited by law or against morality, if it is not considered distinctive or if there is an already existing mark of a competitor that is similar.

Distinctiveness of a mark

In order to have trademark protection, the sign that is intended to be used must be distinctive. The more distinctive a trademark is, the stronger it is, the higher the likelihood of it receiving registration and the greater the protection provided by the courts. Proposed trademarks can be classified as follows from most distinctive (strong) to least distinctive (weak):

- Coined or fanciful trademarks are invented words or signs without any real meaning, for example “Google.” These are the strongest trademarks and have the greatest chance of receiving registration.
- Arbitrary trademarks are words or signs that have a meaning but one that has no logical relation to the product they advertise, for example the word “Apple” or the image of an apple for marketing mobile phones. Arbitrary trademarks are less strong than coined/ fanciful trademarks but have high chances of registration.
- Suggestive trademarks are trademarks that hint at the nature, quality or attributes of the product but do not describe these attributes, for example SUNNY for marketing lamps, which hints at the fact that the product is meant to bring light to your house.

- Descriptive trademarks are trademarks that describe some feature of the product in question, like its quality. Descriptive signs are usually not granted trademark protection because others in the business should be free to use such words unless it can be shown that distinctive character has been established over time through extensive use in the marketplace. For example, a drinks seller would be unable to register the term “Cold Drinks” in relation to their drinks stall. This would be unfair on other drinks sellers, who would legitimately need to be able to say they sell cold drinks.
- Generic signs are words that the public would understand as being the common name of a good or service, for example “Apple” for the fruit called apple. These are totally without distinctiveness and are not eligible for protection as trademarks because giving them protection would deprive competitors of the right to refer to their products by name.

Existing trademark of another competitor

If the proposed trademark is the same or confusingly similar to a sign that is already registered by someone else for identical or similar products or services, then it may not be accepted for registration.

In most countries, when applying for a trademark, the goods or services that the trademark will be applied to must be indicated and these goods or services are categorized into what are called classes. Protection is usually only granted for the goods or services in the respective classes for which protection is sought. This would allow, for example, a proposed sign to be registered for trademark protection for a fitness studio even if that same sign has been already registered for footwear. If the proposed sign is to be used for footwear, however, there could be conflict.

An exception to this rule is well-known trademarks, such as “Coca-Cola” or “Volkswagen.” Such marks often also enjoy extended protection for classes for which the trademark has not been registered. Therefore, there is a risk of trademark infringement if the proposed sign for the fitness studio is “Coca-Cola” or “Volkswagen.”

If nobody else has registered the sign as a trademark – and provided that the sign is generally eligible for trademark protection (such as by being distinctive and there being no earlier user in the same market with prior rights) – then the sign can, in all likelihood, be registered as a trademark.

To check whether someone else has already registered a sign that is the same or confusingly similar to the proposed sign, a trademark clearance search must be undertaken, ideally with the help of a trademark professional, to ensure that the intended trademark will not infringe the trademark of another business. This will save the business from paying possible damages, facing bad publicity and having to find another trademark. A clearance search involves searching the national trademark databases maintained by the national IP office and the WIPO’s Global Brand Database (www.wipo.int/branddb/en) and undertaking a regular internet search. If it turns out that someone else has registered a sign that is the same or confusingly similar to the proposed sign for identical or similar products, then that proposed sign may not be registrable as a trademark.

How long is a trademark valid?

A registered trademark is generally valid for 10 years. The trademark may be renewed indefinitely by paying the required renewal fees. There are fees for filing, prosecuting (including attorneys’ fees) and maintaining trademarks.

Loss of trademark protection

It is not enough to obtain registration. Protection could be lost if the trademark loses through improper use its distinctive character and becomes generic: “Escalator” was once a trademark that now refers to all moving stairs. A trademark may become generic if it becomes so widely used that it becomes a common name to designate the relevant good or service. In such instances, the trademark will not be registrable and a previous registration for such a trademark may be canceled.

In most countries, registered trademarks must be used in order to remain valid, otherwise they may be canceled. Failure to use may mean that the trademark has been abandoned and make the trademark vulnerable to an attack by a third party to have it invalidated for nonuse. Applying the sign to goods or to packaging containing their goods, putting the goods on the market under the sign, stocking the goods with the sign, using the sign in business correspondence, using it in advertising, and so on are all examples of using the sign.

Other types of trademark

Collective marks can only be owned by an association or cooperative. The members of the association can use the collective mark to market their product. An example is the mark "CPA," which is used to indicate that an accountant is a member of the Society of Certified Public Accountants.

Certification marks indicate to consumers that a product or service meets a defined standard or set of standards. These "rules" constitute part of the certification mark. Certification marks are generally owned by a trade association or other industry body. Any business that meets the standards can apply to use the mark.

Geographical indications (GIs) are signs used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin. To function as a GI, a sign must identify a product as originating in a given place.

Summary

- Any sign that identifies the products or service of one business from that of another can constitute a trademark.
- A trademark can be obtained by registration or use.
- Distinctive trademarks are strong trademarks.
- A trademark should not be the same or similar to the trademark of another business for the same or similar goods or services.
- A trademark can be valid forever but can also be lost by improper use.

Action points – Consider developing a distinctive sign for marketing your products and consider registering it. Ensure it is not similar to those of other businesses marketing similar products and ensure its proper use.

Common mistake – Not checking if the proposed trademark is already in use by someone else.

Trade secrets

If the business answered yes to the question "**Does your business rely on information that you consider commercially valuable and that you do not want your competitors to have access to?**" then it is directed to the "Trade Secrets" section and invited to answer a series of questions.

The answers to those questions will result in an automatically generated report reflecting the issues of relevance to the company based on the responses given.

The main issues that may arise in the context of trade secrets are indicated below.

For more information see *Enterprising Ideas: A Guide to IP for Startups (2021)* www.wipo.int/publications/en/details.jsp?id=4545&plang=EN and an accompanying infographic www.wipo.int/sme/en/enterprising-ideas

What is a trade secret?

Trade secrets are confidential business information not generally known in the trade that has commercial value to a business, and for which the owner has made reasonable efforts to maintain secrecy.

Trade secret protection can apply to a range of information. They may include:

- technical and scientific information (such as manufacturing and development information, test results and quality control methods, product information, computer technology, research results, pending unpublished patent applications),
- strategy information (such as business, marketing and investment strategies, business methods, market research),
- financial information (such as pricing information, financial forecasts, sales data), and
- commercial information (such as supplier information, customer information, pricing mechanisms, databases).

Some of this information might be patentable but the company could choose to keep even information that is patentable as a trade secret and avoid disclosing the information required in a patent application.

Unlike patents, trade secrets do not give the owner the right to prevent others from using that information if they independently discovered that information. Protection is provided only against improper acquisition, use or disclosure of the trade secret information. This means that there is no legal remedy against a competitor who independently develops the same information, a competitor who reverse-engineers the product and discovers the information that is embedded in a product, or a competitor who uses the information that has accidentally leaked.

It is also possible for someone else to file a patent on the same technical concept.

The conditions for, and scope of, trade secret protection may vary significantly from country to country depending on the existing statutory mechanisms and case law, and the courts may require very significant and possibly costly efforts to preserve secrecy. Patent or utility model protection, wherever possible, will provide much stronger protection.

How do you obtain trade secret protection?

Trade secrets by definition are secret and, as such, require no registration and do not require disclosure of the information to any other party. Trade secret protection allows the owner to control access to and use of the information and as such can take legal action against individuals or companies who have misappropriated the trade secret.

One major requirement for enjoying trade secret protection is that reasonable steps should have been taken to protect valuable business information. The other two are that the information is secret and that it has commercial value by virtue of being kept secret, i.e., not known to the public.

A number of steps are typically taken to ensure that “reasonable” steps are taken to keep the information secret. What is considered to be reasonable under the circumstances will vary from case to case and will depend on the size of the business, the type of information involved, the economic value of the information, the estimate of how long that value will persist, the risk of theft, the cost or inconvenience of particular measures and so on.

Reasonable measures are, for example:

- using password protection, shredders, marking of documents confidential, need-to-know policies, IT security measures, etc.;
- signing legally binding agreements when engaging with external parties, such as NDAs, that require them to keep confidential any information that is indicated as confidential that are shared with them;

- employment contracts prohibiting employees from using or disclosing the company's confidential information outside the scope of employment, prohibiting them from using or disclosing confidential information learned during previous jobs and requiring them to return company information when they leave the company;
- rules that determine who has access to confidential information and who does not, such as by limiting access to the information to those who have a "need to know";
- restricting physical access to sensitive places;
- employees being informed and trained in the company's trade secret policies and practices.

Misappropriation of trade secrets can take place, for example:

- if someone misuses or discloses the trade secret in breach of a contractual obligation or a special/confidential relationship, for example an NDA, an implied contract, a fiduciary relationship during employment or negotiations for the sale of a business, etc.;
- if a departing employee intentionally downloads files or uses memorized information about a trade secret at a new job;
- if someone acquires the trade secret by improper means, for example through theft, fraud, misrepresentation, inducement, coercion, espionage, hacking or other dishonest acts.

For how long is trade secret protection valid?

Trade secret protection remains valid for as long as the requirements are respected, that is, as long as the information is kept secret.

Trade secrets or patents

Where information is patentable, the company should decide whether it should keep such information as a trade secret or pursue patent protection. In the following circumstances, trade secret protection may be more advisable:

- if there is a preference to keep the information secret rather than disclose it to competitors through a patent application. There is also the risk that the patent application is published but the application is finally not granted;
- if the company does not think it can allocate the budget to take a patent application through to grant;
- if it is able to use lead-time advantage;
- if the product in question has a short life cycle;
- if protection for longer than 20 years is required, and the company is confident that it can keep the information confidential for a long time.
- if the information is used only within the company (for example in a production process). If the confidential information is embodied in a product that is provided to customers outside the company, then there is the possibility that the information can be discovered by taking the product apart.

Summary

- Trade secrets are confidential business information that give a company a competitive edge.
- They must be secret and have commercial value, and reasonable steps must be taken to maintain secrecy.
- They are secret by definition and as such require no registration.
- They remain valid for as long as the information is kept secret.

Action point – Identify information that gives a competitive edge and keep it confidential.

Common mistake – Not taking steps to keep confidential a company's most valuable information.

Designs

If the business answered yes to the question “**Do you use features like patterns, lines, colors or shapes to make the external appearance or the packaging of your product attractive?**” then it is directed to the “Designs” section and invited to answer a series of questions.

The answers to those questions will result in an automatically generated report reflecting the issues of relevance to the company based on the responses given.

The main issues that may arise in the context of design are indicated below.

For more information see *Looking Good: An Introduction to Industrial Designs for Small and Medium-Sized Enterprises* (2019) www.wipo.int/publications/en/details.jsp?id=4388&plang=EN

Enterprising Ideas: A Guide to IP for Startups (2021) www.wipo.int/publications/en/details.jsp?id=4545&plang=EN and an accompanying infographic www.wipo.int/sme/en/enterprising-ideas

What is an industrial design?

An industrial design refers to a product’s overall form and function. From a legal perspective, an industrial design right protects the ornamental or aesthetic aspects of a product and allows the owner to prevent third parties from making, selling or importing articles bearing or embodying a design that is a copy, or substantially a copy, of the protected design.

How do you obtain an industrial design right?

To obtain a registered design right, an application must be made at the IP office. In some countries, it is possible to obtain a limited industrial design protection for unregistered designs, but only for a short period. This is the case, for example, in the European Union, where unregistered design protection is available and lasts three years from the date on which the design was first made available to the public within the territory of the European Union.

In general, to obtain design protection, the design must be new or original. A design is new if no identical design has previously been made available to the public. Designs are deemed identical if their features differ only in immaterial details. A design is original if it has been independently created by the designer and is not a copy or an imitation of existing designs.

A design that has already been disclosed to the public, for example by having been advertised in a company catalog or brochure, may no longer be considered new. Where the design has been disclosed, it might still be considered new if the law provides for a “grace period.” A grace period is a period of time – usually six months to a year – calculated from the time of disclosure of the design, during which a registered design can still be considered new despite its disclosure. Therefore, in countries where a grace period is provided, an application for a design right may still be submitted within that period and it will still be considered novel even though it has already been disclosed to the public. In any case, it would be prudent to keep the design confidential until an application is made.

A design can only be protected if it is not dictated by the technical function of a product. For example, the typical form of a smartphone (rectangular touchscreen in the midst of a frame) is dictated by the technical function, but the shape of the frame (round or sharp edges) is not. The technical function may, however, be protectable by other IP rights, such as patents, utility models or trade secrets.

How long does a design right last?

The duration of the protection of industrial designs varies between countries but is generally between 10 and 25 years.

Summary

- A product's visual appeal can be protected by an industrial design right.
- Protection for a new or original design is obtained by registration and in some countries through use.
- Design protection can last between 10 and 25 years.

Action points – If the product has a distinct visual appeal or its packaging is attractive, consider design protection. Check databases for similar designs.

Common mistake – Not protecting what is visible to the consumer and therefore probably the most important marketing asset.

Copyright and related rights

If the business answered yes to the question “**Do you generate materials like manuals, pamphlets, labels, or produce videos, software, newsletters, music clips, etc.?**” then it is directed to the “Creative Materials” section and invited to answer a series of questions.

The answers to those questions will result in an automatically generated report reflecting the issues of relevance to the business based on the responses given.

The main issues that may arise in the context of copyright are indicated below.

For more information see Creative Expression: An Introduction to Copyright and Related Rights for Small and Medium-Sized Enterprises (2023) www.wipo.int/publications/en/details.jsp?id=4640&plang=EN

Enterprising Ideas: A Guide to IP for Startups (2021) www.wipo.int/publications/en/details.jsp?id=4545&plang=EN and an accompanying infographic www.wipo.int/sme/en/enterprising-ideas

What is copyright?

Copyright protects literary, artistic, dramatic and other types of creation, which are usually referred to as “works.” Copyright law grants authors, composers, computer programmers, website designers and other creators legal protection for these works. Most companies create a variety of original material such as computer programs or software; content on websites; product catalogs; newsletters or operating manuals for machines or consumer products; user manuals for various types of equipment; artwork and text on product literature, labels or packaging; and marketing and advertising materials on paper, billboards, websites and so on. Such material may be protected by copyright.

How do you obtain copyright protection?

To qualify for copyright protection, a work must be original. That is, the work must have been independently created and not copied from the work of another or from materials in the public domain. Originality relates to the form of expression and not to the underlying idea. For example, two authors of two distinct novels may tell the same story – for example, about the life of a celebrity – but will not infringe each other's copyright if they each tell the story in their own words (the “original expression”). However, if one author copies the text of the other author literally, they will commit copyright infringement.

Copyright arises automatically once the work is created. There is no registration procedure required. Many countries require that the work be written on paper, stored on a disk, painted on canvas, recorded on tape or “fixed” in some way. However, some countries, like the United States of America, operate a voluntary copyright registration system, where creators can register their copyrighted works. Doing so provides these creators with evidence of the existence of a valid claim to copyright protection, which is helpful in pursuing a lawsuit for copyright infringement.

Copyright provides what are called economic rights and moral rights. Economic rights give the owner/holder of copyright the exclusive right to authorize or prohibit certain uses of a work. That is, a copyright owner can prevent others from copying or commercially exploiting these works without the owner’s authorization. Moral rights protect an author’s creative integrity and reputation as expressed through the work.

How long does copyright last?

For most works, and in most countries, copyright lasts for the lifetime of the author plus an additional period of at least 50 years. In a number of countries, this period is even longer (e.g., in Europe, 70 years after the death of the author). It is, thus, not only the author who benefits from the work but also the author’s heirs. Once copyright protection over a work has expired, it is considered to be in the “public domain,” which means it can be freely used without obtaining consent.

Using the copyright-protected works of others

Businesses often use the copyright-protected materials of others in their business. Purchase of a work gives the buyer a copy of that work but the intangible rights remain with the copyright holder. So, for example, purchase of a software product or music album allows you to own a physical copy of the material (the disk that you purchased), to play it privately (e.g., not performing it in a commercial venue) and to pass the physical copy to another person (without making copies). Similar considerations apply where the copyright material is in an electronic form. Copying a work, including photocopying a printed work, downloading an electronic document and storing it in your system, distributing copies of documents in email attachments, copying material for internal training, and scanning a work to produce an electronic copy would all require permission from the copyright owner.

Such permission is not necessary if the work is in the public domain or if it is covered by “fair use” or “fair dealing” or by a limitation or exception included in the national copyright or related rights law. All national copyright laws include a number of limitations and exceptions. The exact provisions vary from one country to another but, generally, exceptions and limitations include:

- the use of a quotation from a published work (that is, using short excerpts in an independently created work),
- copying for private and personal use (e.g., for research and study purposes),
- reproduction in libraries and archives (e.g., of works out of print, where the copies are too fragile to be lent to the general public),
- reproduction of excerpts of works by teachers for use by the students in a class, or
- the making of special copies for use by visually handicapped persons.

In practice, it is often difficult for users to individually contact copyright owners in order to obtain the necessary permissions. In such situations, collective management organizations (CMOs), if available for the specific category of works in question, could facilitate.

Using original works of others without their authorization could result in liability for copyright infringement.

In most countries, a copyright notice is not required for protection. Nevertheless, it is strongly advisable to place a copyright notice on or in relation to your work, because it reminds people that the work is protected and identifies the copyright owner. Such identification helps all those who may wish to obtain prior permission to use the work. Placing a copyright notice is a very cost-effective safeguard. It requires no significant extra expense but may end up saving costs by deterring others from copying the work, as well as facilitating the process of granting prior permission by making it easier to identify the copyright owner.

There are many ways to commercialize creative works: protected works can be sold; copies of those works can be made and sold; or someone else may be given the right to reproduce or otherwise use the works. This can be done by licensing the economic rights over the works, or selling or assigning the copyright over the works, either entirely or partly.

Companies that own copyright and related rights assets (e.g., a portfolio of distribution rights for a number of movies/films) may be able to borrow money from a financial institution by using such a bundle of rights as collateral or raise financing by letting investors take a “security interest” in them. Startups with such rights would find it easier to attract investment funding from venture capitalists and angel investors.

Related rights

Related rights are rights that are granted to certain categories of people or businesses (performers, producers of sound recordings, and broadcasting organizations) that play an important role in performing, communicating or disseminating works to the public that may or may not be protected by copyright. Protection is shorter in duration than it is for copyright.

Summary

- Copyright protects original creative works.
- Protection is automatic upon its creation.
- Copyright lasts for the lifetime of the author plus an additional period of at least 50 years.

Action points – Identify creative material developed within or for the company or used in the company and consider its copyright implications.

Common mistake – Assuming that creative works of others are free to use.

Patents and utility models

If the business answered yes to the question “**Have you developed a product, process, service or a technical modification that you consider new, innovative or unique?**” then it is directed to the “Inventive or Innovative Products or Processes” section and invited to answer a series of questions.

The answers to those questions will result in an automatically generated report reflecting the issues of relevance to the company based on the responses given.

The main issues that may arise in the context of patents are indicated below.

For more information see *Inventing the Future: An Introduction to Patents for Small and Medium-Sized Enterprises* (2018) www.wipo.int/publications/en/details.jsp?id=4350&plang=EN

Enterprising Ideas: A Guide to IP for Startups (2021) www.wipo.int/publications/en/details.jsp?id=4545&plang=EN and an accompanying infographic www.wipo.int/sme/en/enterprising-ideas

What are patents?

An invention is generally defined as a new and inventive solution to a technical problem. It may relate to the creation of an entirely new device, product, method or process, or simply be an incremental improvement of a known product or process. A patent is an exclusive right granted by the government to an inventor in exchange for a written disclosure of how to make and use that invention. It allows the owner of a patent to prevent anyone else from exploiting the invention; that is, the right to prevent others from making, selling, offering for sale, using or importing the product.

How do you obtain a patent?

To obtain a patent, an application must be filed at the patent office of the country (see WIPO's directory of IP offices, www.wipo.int/directory/en/urls.jsp). To be patentable, first, the invention must not be on a list of things that are by definition not patentable. Most national or regional patent laws exclude certain types of invention from patent protection. While there are considerable differences between countries, these exclusions may include diagnostic, therapeutic and surgical methods of treatment; plants and animals; and computer programs per se. It can be difficult to determine whether a particular invention falls into an excluded category for a particular country and an expert may be consulted to analyze the potential for protecting a given invention.

If the invention is not on the list of things that are not patentable, there are three requirements to be satisfied: the invention must be new, have an inventive step and be industrially applicable.

An invention is new if it does not form part of the "prior art." In general, prior art refers to all the relevant technical knowledge available to the public anywhere in the world prior to the first filing of the patent application. It includes patents, patent applications and nonpatent literature of all kinds. The exact definition differs, though, from country to country. Therefore, if someone else has already patented what you consider to be a new product, process or technical modification your invention will not be "new." A search of patent databases can identify preexisting patents for the same invention. See below for patent databases.

The invention would also not be considered new if it has been disclosed publicly before filing an application. Such public disclosure might be through testing it, working with a third party, or publicity. If an invention is disclosed in this manner, then it is no longer new and not patentable. However, some countries have a "grace period," which refers to the period that a patent office will allow an inventor to file for a patent following public disclosure of the invention, without affecting its novelty. A disclosure that is made in the context of an obligation of confidentiality such as under an NDA is not a public disclosure.

An invention is considered to involve an inventive step (or to be nonobvious) when, taking into account the prior art, the invention would not have been obvious to a person skilled in that particular field of technology. The nonobviousness requirement is meant to ensure that patents are granted only for truly inventive achievements, and not for developments that a person with ordinary skill in the field could easily deduce from what already exists.

The invention is capable of industrial application if it can be put to an industrial or business purpose. An invention cannot be a mere theoretical phenomenon; it must be useful and provide some practical benefit. The term "industrial" is meant here in the broadest sense as anything distinct from purely intellectual or aesthetic activity, and includes, for example, agriculture. In some countries, this criterion is expressed as utility.

Not all patent offices examine patent applications to determine if these three requirements are satisfied (substantive examination), as doing so is very resource-intensive. They confine themselves to an examination of formalities. After a patent has been granted, whether that is after a formal or a substantive examination, a third party, usually a competitor, can try to invalidate the patent on one or more of the above grounds and have the patent revoked.

How long does a patent last?

A granted patent is usually valid up to a maximum period of 20 years, assuming the required renewal fees are paid. Once the term expires, or if the owner does not pay the annual fees and the patent ceases, anyone is free to make and use the invention.

Alternatives to patents

While patents are an important means of protecting and commercially exploiting technical inventions, they may not always be the best choice under all circumstances. Small firms with

limited budgets¹³ may find it difficult to allocate the money to file and go through the whole process up to obtaining a patent and, once obtained, to enforce it. For those products that have a shorter product cycle or that need protection beyond the 20-year period, patents may not be the best option. In other cases, businesses that are confident of being able to maintain their lead in the market or where the invention is not easy to reengineer, patents may not be necessary.

Utility models and trade secrets may offer better solutions in these situations.

Utility models

Utility models, sometimes called innovation patents or petty patents, have fewer requirements and require lower levels of innovation. They provide for a shorter term of protection (10 years) and there may be limitations on the technology that can be protected and the damages that can be claimed for infringement.

Trade secrets

Trade secret protection is afforded to information that has been kept secret and is available as long as the secrecy is maintained (see the trade secret section above for more details).

Patent databases

In order to obtain a patent, the inventor must disclose their invention in sufficient detail that a person with ordinary skill in the art could carry it out. This information is maintained in patent databases. These databases are a unique source of up-to-date, organized technical information, which can be very valuable to businesses.

Before filing a patent application for an invention (and even before investing in developing an invention), a “prior art search” in patent databases should be undertaken. Such a search can reveal preexisting patents in the technical area of interest. If a national patent exists, this would mean that permission from the patent holder would have to be obtained to market the product that incorporates that invention. If the existing patents are foreign and there is no local patent, the product can be marketed locally. However, a patent for the same invention cannot be obtained as it would not be new. If the preexisting patent is no longer in force – for example, if it has expired or been allowed to cease – then the invention is free to use.

Aside from revealing whether an invention is patentable, searching patent databases may provide very useful information on:

- the R&D activities of current and future competitors,
- current trends in a given field of technology,
- technologies available for licensing,
- potential suppliers, business partners or researchers,
- possible market niches at home and abroad,
- relevant patents of others so that they are not infringed (“freedom to operate”),
- expired patents that have contributed technology to the public domain, and
- possible new developments based on existing technologies.

WIPO offers free online access to all published international patent applications processed through the Patent Cooperation Treaty (PCT) system, together with millions of patents from the collections of many national and regional offices, through its PATENTSCOPE search service (<https://patentscope.wipo.int/search/en/search.jsf>). Furthermore, WIPO provides innovators in developing countries with access to local, high-quality technology information services at technology and information support centers (TISCs). These centers also provide for patent database search services and provide assistance in this matter (www.wipo.int/tisc/en).

¹³ A small business may benefit from fee reductions. Some fee reductions may also be available within the Patent Cooperation Treaty (PCT), which is based on nationality. With respect to the costs involved with securing a patent, WIPO’s Inventor Assistance Program may help. The Program matches inventors with pro bono legal assistance to help inventors secure patent protection in certain countries (see www.wipo.int/iap/en).

Summary

- A patent grants protection to an invention that is new, has an inventive step and is industrially applicable.
- A patent holder can prevent anyone else from exploiting the invention.
- A patent is obtained through registration.
- A patent lasts for a maximum of 20 years.
- Patent databases are a unique source of up-to-date technical information.

Action points – If there are any new products and processes developed or being developed, keep them confidential, check databases for similar technologies to prevent infringement but also for inspiration and so as not to waste resources on what exists already, and explore patentability and other options for protection.

Common mistakes – Not checking if the product idea is new. Assuming a patent means a right to use. Use could be prevented by the patents of others.

Licensing

If the business answered yes to the following questions, the answers to those questions will result in an automatically generated report reflecting the issues of relevance to the company based on the responses given:

- **Have you considered giving another person the right to use your trademark/patent/design?**
- **Have you considered obtaining the right to use someone else's trademark/patent/design?**
- **Do you want to make (parts of) your confidential business information accessible to a third party?**
- **Have you considered obtaining the right to use someone else's confidential business information?**

The main issues that may arise in the context of licensing are indicated below.

For more information see

Enterprising Ideas: A Guide to IP for Startups (2021) www.wipo.int/publications/en/details.jsp?id=4545&plang=EN and an accompanying infographic www.wipo.int/sme/en/enterprising-ideas

Green Licensing Checklist www3.wipo.int/wipogreen/docs/en/wipogreen_licensingchecklist_061216.pdf

Exchanging Value www.wipo.int/edocs/pubdocs/en/licensing/906/wipo_pub_906.pdf
 Successful Technology Licensing www.wipo.int/edocs/pubdocs/en/licensing/903/wipo_pub_903.pdf

What is licensing?

Licensing is when an owner of an IP right (the licensor) authorizes someone else (the licensee) to use the IP while continuing to maintain ownership in the right. This occurs by way of contract, which will specify what can be used, where it can be used, for how long it can be used and what is provided in return. Given that IP rights are intangible, the licensor can give such authorizations to many interested parties. This allows the licensor to maximize the earning potential constrained only by the terms of the agreements entered into with the potential licensees.

Licensing is only relevant where there is a registered right (e.g., a patent or trademark) or where it is proprietary knowledge that another party wishes to gain access to. If there is no registered right and no application for one, another party does not need a license to use it.

Patent and trade secret licenses

Often, it is a better option to obtain and use or adapt technology that already exists than to invest the time and resources to find the solution independently. This would be the case, for example, if the technology that is needed cannot be developed in-house because it is too costly to do so, it takes too much time or the relevant skills are not available. Sometimes it may be necessary to obtain licenses for technologies that are part of industry, national or international standards. A license may also be necessary in a situation where the product inadvertently violates the IP rights owned by another.

Likewise, it may be in the interest of a company that owns the technology to transfer that knowledge to another and create an additional revenue stream. Today, even the largest companies are no longer doing everything in-house; they depend on outside sources not only for key components and services but also for knowledge and technical know-how.

In patent licenses, the attendant trade secrets will often also be included. If appropriate, there could also be agreements that license trade secrets only.

Copyright licenses

If companies are interested in using the creative works of others that are protected by copyright – for example, on their website, in their newsletters, copying material from the internet or otherwise, playing music in the cafeteria, etc. – they need to get permission to do so from the copyright owner. That is, they need to obtain a license.

Sometimes contacting the copyright owner to obtain a license is easy where the name of the copyright holder is mentioned and contact details are given (for example, on a webpage). However, this is not always the case. Additional research may then be needed, for example in national copyright registries (which are voluntary and exist in some countries and not in others) or in registries for so-called orphaned works (copyright material where the copyright owner cannot be determined, which, and as long as the alleged copyright is not claimed by anyone, can be used after a period of time).

In practice, it is difficult for users to identify copyright owners and obtain their permission. CMOs monitor uses of works on behalf of creators of certain categories of works and are responsible for negotiating licenses with users, entering into reciprocal agreements with other CMOs throughout the world. They then grant licenses on behalf of their members, collect the payments, and redistribute the amount collected, based on an agreed formula, to the copyright owners.

If the intended use is covered by “fair use” or “fair dealing” or by a limitation or exception specifically included in the national copyright or related rights law (some jurisdictions allow limited use of parts of copyright-protected works, for example for research purposes, for translation into Braille for visually impaired persons, etc.), permission will not be necessary.

Trademark licenses

Granting others the right to use a trademark is a fairly recent phenomenon. The early view that a trademark indicated the source of a product meant that the use of the trademark by another (which was not the source) was philosophically not possible. The fact that a good or service is produced or delivered by a licensee, a person authorized by the owner to use the trademark, means in essence that the good or service is emanating from a source other than the owner. As such, it would amount to false or deceptive representation to the consumer as to the true source of the goods or services involved. This view began to change fairly recently, when in some jurisdictions licensing began to be accepted where the owner of the trademark, the licensor, remained in control of the nature and quality of the goods or services sold in association with the trademark. Consumers were, by virtue of this control, assured that the goods and services delivered by the licensee in association with the trademark would not differ in any meaningful way from the goods and services of the licensor and the customer was, by virtue of this controlled use, not being deceived.

Quality control has therefore become the essence of trademark licensing, providing the means of ensuring that the licensee's use is consistent with the licensor's interest in the trademark and at the same time ensuring that the consumer will get essentially the same quality of product or service no matter where the trademarked product is purchased or the service is experienced. As a consequence, provisions relating to the control and monitoring of the character or quality of the licensed products or services provided in association with the licensed trademark are of great importance and in most cases mandatory in order to maintain a strong and enforceable trademark.

Globalization has also meant an increasing focus on building partnerships and alliances. As trademarks are powerful identifiers, their licensing is an effective way of forging those relationships, extending a business and ultimately creating additional revenue streams.

Franchising

Franchising is a specialized license where the franchisee is allowed by the franchisor in return for a fee to use a particular business model and is licensed a bundle of IP rights, notably trademarks, and supported by training, technical support and mentoring. Admittedly, the franchise owner is the proprietor of much more than a trademark. They own a successful business that includes trademarks and a variety of other IP rights. By licensing someone the right to use that business model, along with the attendant IP rights, including the trademark, the franchise owner is able to create "clones," as it were, of their business, with minimum investment and effort from their side. Each new business that is created in this manner creates a new revenue stream and additional exposure to the business. Likewise, the franchisee, the party that obtains the right to use the business model and the accompanying IP, acquires a ready-made business model that already has consumer recognition and benefits from support and training from the franchisor.

Merchandising

Merchandising is a form of marketing whereby an IP right (typically a trademark, industrial design and/or copyright) is used on a product to enhance its appeal to the consumer. University logos, cartoon characters, famous paintings, statues and many other images appear on a whole range of products, such as T-shirts, toys, stationery items, coffee mugs and posters. Merchandising requires prior authorization through a license to use the relevant image on the merchandised goods.

Assignment

An assignment is the selling or buying of an IP right. The ownership for that IP passes from the seller to the buyer and it is a one-time activity for an agreed price. An IP rights owner who has no experience or interest in bringing a product to market may find assignment a useful option.

Summary

- "Licensing" is when an owner of an IP right authorizes someone else to use the IP while continuing to maintain ownership in the right.
- Franchising and merchandising are types of IP license.
- To assign an IP right is to sell the right.
- To use the IP right of someone else, the use has to have been authorized by a license or the right must have been assigned. If not, the use would be an infringement.

Action points – As an IP owner, explore options for maximizing the use of IP assets by giving interested parties the right to use them for a fee or in exchange of their assets. As a user of third party IP assets, seek authorization through licensing or obtain an assignment.

Common mistakes – Not exploring other ways to put IP assets to use, especially if they are not used in the core business of the company. Assuming permission to use is required without checking whether the innovation, creation, design or business sign is protected.

Attracting investments

If the business answered yes to the question “**Are you interested in attracting investors to your company?**” then the automatically generated report will reflect this.

The main issues that may arise in the context of attracting investors are indicated below.

For more information see *Enterprising Ideas: A Guide to IP for Startups (2021)* www.wipo.int/publications/en/details.jsp?id=4545&plang=EN and an accompanying infographic www.wipo.int/sme/en/enterprising-ideas

IP rights are a valuable business asset and they are something investors pay attention to when deciding whether to invest in a company. Small businesses, particularly startups, need funding. If they can demonstrate that they have taken steps to protect their IP assets, this will give investors' confidence and, if they are able to put a value on those assets, their path to obtaining financing will be decidedly easier.

Valuation is a difficult exercise and often a subjective one. A valuation expert needs to be consulted to conduct a professional valuation of the IP asset. Several well-established methods have been developed to value IP, mainly patents:

- The cost method calculates the value by determining the cost of developing a similar (or exact) IP asset either internally or externally.
- The market method uses a comparison with the actual price paid for a similar IP asset under comparable circumstances.
- The income method values the IP based on the amount of economic income that the IP asset is expected to generate, adjusted to its present-day value.

In addition to attracting investors, valuation may also be required in the following situations:

- Transactions – licensing; franchising; sale or purchase of IP assets; merger and acquisition (M&A); spin-off; joint venture.
- Enforcement – calculation of damages where there is an infringement.
- Internal uses – R&D investment, internal management of assets.
- Other purposes – financial reporting, bankruptcy, liquidation, tax reasons, insurance.

Summary

- A well-managed IP portfolio is an important consideration when deciding to invest in a company.
- There are different methods of valuing IP rights.
- Valuing IP rights is also important in other business transactions involving IP assets.

Action point – Keep in mind that IP assets can be used to attract investment. For this and for a variety of circumstances, their valuation would be useful.

Common mistake – Not realizing the importance to investors of a well-managed IP asset portfolio.

Internationalization

If the business answered yes to the question “**Do you manufacture or sell products outside the country where your business is based?**” then it is directed to the “Internationalization” section and invited to answer a series of questions.

The answers to those questions will result in an automatically generated report reflecting the issues of relevance to the company based on the responses given.

The main issues that may arise in the context of internationalization are indicated below.

For more information see *Enterprising Ideas: A Guide to IP for Startups (2021)* www.wipo.int/publications/en/details.jsp?id=4545&plang=EN and an accompanying infographic www.wipo.int/sme/en/enterprising-ideas and the other guides referred to above.

Territoriality

An important thing to keep in mind is that IP rights are territorial. This means that they are only available in the country or region in which they were applied for and granted. In practice, this means that a right obtained in one country (or region) would not necessarily be valid in another country (or region). As a general recommendation, therefore, if there is an intention to export or in any way engage in business outside the borders, the feasibility of securing IP rights in the markets of interest must be assessed as early as possible.

Different ways of obtaining rights in other countries

National applications

One option is to apply for protection separately in each country of interest. Each application may have to be translated into the national language and application fees would have to be paid. In some countries, foreign applicants must also be represented by a local IP agent or attorney. To ensure compliance with national legislation, advice from a local IP expert should be sought.

Regional applications

Some countries have established regional agreements to facilitate the application of industrial property rights in the region with a single application. The regional IP offices include:

- European Patent Office: www.epo.org
- European Union IP Office (EUIPO): <https://euipo.europa.eu/ohimportal/en>
- African Regional Industrial Property Organization (ARIPO): www.aripo.org
- African IP Office (OAPI): www.oapi.int/index.php/en
- Eurasian Patent Organization (EAPO): www.eapo.org/en
- The Benelux Office for IP: www.boip.int
- Patent Office of the Cooperation Council for the Arab States of the Gulf: www.gccpo.org

It should be noted that some of those regional systems (like OAPI) deal with all IP rights, while others (such as ARIPO) only with industrial property rights, or just with specific IP rights, such as patents (EPO, for example), or trademarks and industrial designs (EUIPO, for example).

International protection

WIPO administers a number of treaties to facilitate the protection of IP rights worldwide. Rather than filing national applications individually with national IP offices, in the international filing systems a single application can be filed, in one language and paying one application fee. These international filing systems not only facilitate the process but may considerably reduce the costs of obtaining international protection.

The Patent Cooperation Treaty (PCT) – The process for international protection of inventions can be initiated under the PCT system, the worldwide system for simplified multiple filing of patent applications. This system provides additional time to decide the countries where patent protection will be sought. It also enables delayed expenditures for filing in other countries. After filing a PCT application, typically around 30 months after filing the initial application, applicants must designate countries. By filing one international patent application under the PCT, protection can be sought in a large number of member countries (now more than 150) throughout the world; the PCT route is less useful if you only intend to file in a couple of countries. For more information, visit www.wipo.int/pct/en

The Madrid system – This system simplifies the procedures for registering a trademark in multiple countries that are party to the Madrid system. An international registration under the Madrid system produces the same effects as an application for registration of the mark filed in each of the countries designated by the applicant and, unless rejected by the office of a designated country within a certain period, has the same effect in that country as a registration in the trademark registry of that country. For more information, visit www.wipo.int/madrid/en

The Hague Agreement – This system gives the owner of an industrial design the possibility of having their design protected in several countries by simply filing one application with the International Bureau of WIPO, in one language, with one set of fees in one currency. For more information, visit www.wipo.int/hague/en

There is, therefore, no such thing as a global IP right (the situation is a bit different with copyright, where if you are from a member country of the Berne Convention your work will be automatically protected in all other member countries). This means that, if a right has not been obtained in a particular country, competitors are free to use the sign, the design or the invention in that location. They are not required to enter into a formal licensing agreement as authorization to use the IP right if that right is not protected in that country.

Priority period

The date of the first application for a patent, trademark or design right is called the priority date. Any subsequent applications filed in other countries within 12 months (for a patent) or six months (for a design right or a trademark) of that date (i.e., within the priority period) by the same applicant for the same invention, design or mark are considered to have been filed on the priority date. Generally, the person who files first is entitled to the ownership of the IP right. Thus, the filing date is important in identifying the owner of the IP right and constitutes the starting date from which the priority period will be counted.

In the case of trademarks, if the subsequent application is not filed within six months of the first the only impact will be that the subsequent application will have the later date of application and not the date of the first application. However, in the case of patents and design rights, if the subsequent application is filed outside the country after the 12-month or six-month period has passed, it could be fatal. This is because, once the invention has been disclosed in the first application, that would negate the novelty of the invention in the subsequent application – though many countries offer a grace period when an inventor self-discloses their invention. Similarly, with designs, if you file a subsequent application after the six-month period, it could lose novelty.

One of the great practical advantages of the priority period is that applicants seeking protection in several countries are not required to present all their applications at the same time but have six months (designs and trademarks) or 12 months (patents) to decide the countries in which they wish to seek protection and to carefully organize the steps necessary for securing protection.

Importance of understanding the local market

Selecting an appropriate trademark – Apart from satisfying the legal requirements for trademark registration, it is important to keep in mind that a trademark should have no adverse meaning or undesirable connotations in the market in question and it should be easy to pronounce and remember in the relevant languages. There are numerous examples of companies starting to market their products or services in an overseas market only to realize that their trademark is inappropriate for that particular market in that the trademark has negative or undesirable connotations in the local language or local culture. This can be a very costly mistake.

Understanding the local laws – The IP laws can vary from country to country and it is important to keep this in mind when going international.

Understanding the local costs – It is also important to know what the costs of obtaining protection are. Take local legal advice about the laws in the country in question before going in.

Local partners – Engaging a local company that knows the local conditions is an effective way to penetrate a market. However, it is important to keep in mind that these relationships can be risky. From an IP perspective, there are two main risks to consider. One is the issue of ownership and the other is that of confidentiality. The local partner may be provided with protected and unprotected information, technology, code and so on, which the partner may use for generating new outputs that may be protectable with IP rights. The issue of ownership of these new outputs needs to be clarified at the outset to avoid misunderstandings and

eventual conflicts as to who owns the rights to these outputs. There is also the risk of the information that is shared with the partner being inadvertently disclosed to third parties that should not have access to such information. The confidentiality of whatever is shared with a partner must be stressed from the outset and clarified through NDAs. In all these cases, national laws should be consulted and advice sought before entering into any relationship with a local partner.

Summary

- IP rights are only available in the country or region in which they have been applied for and granted.
- IP rights have to be obtained in all markets of interest.
- They may be obtained through a national, regional or international application.

Action points – If considering exporting or engaging with partners in other countries, take steps to protect the IP in those markets. WIPO international filing systems could be helpful in this regard. Ensure deadlines are respected.

Common mistake – Believing that intellectual property rights are global.

Freedom to operate

If the business answered yes or no in the Internationalization section to the question “Have you checked whether there exists a trademark, design or patent registered in the country of interest that might prevent you from operating in that country?” then the resulting report will include information on the concept of freedom to operate.

The concept of freedom to operate is explained below.

For further information see *Enterprising Ideas: A Guide to IP for Startups (2021)* www.wipo.int/publications/en/details.jsp?id=4545&plang=EN and an accompanying infographic www.wipo.int/sme/en/enterprising-ideas

What is a freedom to operate assessment?

It is important to ensure that the business has “freedom to operate” (FTO) in the market. This means determining whether there are any existing rights in the target market that would impact on the ability to market the product. An FTO assessment is important in deciding whether to initiate or continue with R&D projects or to use or market new products. These assessments are accomplished, ideally with the help of a professional, by searching databases that contain the patent, trademark and design rights valid in the countries where the potential product will be offered for sale or manufactured. Many of these databases are available publicly, such as WIPO’s PATENTSCOPE, Global Brand Database and Global Design Database, available at <https://ipportal.wipo.int>.

If third-party IP rights are identified during an FTO assessment, the following options may be considered:

- *Acquiring the IP rights or negotiating a license to use them* – This allows the company to use these rights. In general, the earlier one is engaged in this type of discussion, the less expensive these rights will be to obtain. Importantly, a license provides the right to use IP within a certain field and physical location. It is important to consider the anticipated evolution of the product when negotiating the terms, to avoid having to renegotiate them later.
- *Challenging the validity of the IP right* – The company may be confident that its product or service does not infringe the IP rights of others or that the IP right of the other company is not valid. For example, in the case of a patent, the invention as described may not be new and therefore not eligible for protection. A legal expert could be used to assess the risk of proceeding and potentially take action to have the IP right invalidated. This information can

be recorded or alternatively a nonassertion covenant could be sought in which a right holder confirms that the rights will not be enforced under certain circumstances or in certain defined fields or geographies.

- *Designing around the IP right* – Working around the protected IP right could be considered to prevent infringement. In this case, the project can be adapted to the IP situation by modifying the product or service in a way that does not use the IP rights. This approach can even result in new inventions with potential new IP.
- *Requesting a compulsory license* – In the case of patents, if the patent holder is unwilling to grant a voluntary license, it may be possible to ask the authorities to issue a compulsory license, depending on the local law. A legal professional should be consulted to understand the viability of such an option.

If none of the above options is feasible, the decision might be taken to abandon the project.

Summary

An FTO assessment identifies potential third-party rights in the market of interest that might impact on the ability to market the product.

Action point – Don't assume that the product can be marketed in the selected market. Freedom to operate in that market has to be ensured.

Common mistake – Assuming that a product can be marketed without checking third-party rights.

Website

If the business answered yes to the question “**Do you have or intend to create a website?**” then it is directed to the “Website” section and invited to answer a series of questions.

The answers to those questions will result in an automatically generated report reflecting the issues of relevance to the company based on the responses given.

The main IP issues that may arise in the context of websites are indicated below.

For more information see *Enterprising Ideas: A Guide to IP for Startups (2021)* www.wipo.int/publications/en/details.jsp?id=4545&plang=EN and an accompanying infographic www.wipo.int/sme/en/enterprising-ideas

Domain names

Domain names are the internet addresses of people or organizations on the internet. They are important business identifiers in the online environment. They enable a potential customer to locate a business on the internet and allow businesses to maximize their reach for customers. Given today's widespread connectivity, it is vital to a small business that it has a strong online presence.

Domain names consist of top-level domains (TLDs) and second-level domains:

- The TLD is the characters after the last dot in the domain name. For example, in “wipo.int,” the TLD is the “.int” portion of the name.
- The second-level domain is the part preceding the last dot. In the above, this is “wipo.” This is often a company's business name or trademark.

Numerous different TLDs are available. Generic TLDs (gTLDs) include .com, .org, .net and .info. Specialized domain names include .biz (for commercial enterprises). Country code TLDs (ccTLDs) include .au for Australia, .id for Indonesia, .vn for Viet Nam and so forth.

Registering a domain name

Domain names may be registered in any number of TLDs. These could be gTLDs such as .com, .net, .org and .info or, if possible, specialized and restricted TLDs (e.g., .aero for air travel and transport businesses, or .biz for commercial enterprises). Domain names can also be registered under a ccTLD, for example .bg for Bulgaria, .cn for China or .ch for Switzerland.

The technical management of the domain name system is in the hands of the Internet Corporation for Assigned Names and Numbers (“ICANN”). However, in the gTLDs, the registrations themselves are handled by a number of internet registrars accredited by ICANN, which can be found at ICANN’s site at www.icann.org/en/accredited-registrars.

Whether a domain name has already been registered can be checked either by searching a registrar’s site or by using a “Whois” search, like that offered by ICANN at <https://lookup.icann.org/en>. For registrations in the ccTLDs, the registration authority designated for each ccTLD has to be contacted. To do this, a ccTLD database set up by WIPO at www.wipo.int/amc/en/domains/cctld_db/index.html, which links to the websites of over 250 ccTLDs and includes information about their registration agreements, the Whois service and dispute resolution procedures, can be consulted.

A business should also move quickly to register a domain name. Domain names are an international system, whereas trademarks are territorial. That is, trademarks are valid in the countries or regions where trademarks have been registered (unless the mark is considered “well known”), whereas domain names are global. Having a trademark registered in one’s own country does not guarantee that the domain name using that trademark will be available. A business will be unable to use the domain name if another party has already registered it. It may be possible to use a different TLD such as a ccTLD, or to arrange purchase or transfer of the domain name. Alternatively, there are dispute mechanisms available if you think another party has registered the domain name for the purpose of blocking the true owner from using it and demanding money for it. WIPO is a leading service provider accredited by ICANN to resolve domain name disputes. If this is the situation, advice from an IP attorney or lawyer should be sought.

Website development

In most countries, if the company website has been developed by its employees, who are employed for this purpose, the employer would then own the copyright over the website, unless otherwise agreed with the employees. However, for a small business, this is rarely the case. Most companies outsource the creation of their website design and/or content to an outside contractor, which will usually own copyright and other IP rights in the website, as well as in the design and elements contributing to that design (such as colors, gifs, jpegs, setup, hyperlinks and text coding). Without a valid, written agreement transferring all these rights to the company that contracted the work, the company may end up owning nothing except perhaps a nonexclusive license to use its own site. If the company wants to make changes to its website a year later, for example, it will not be able to do so without the permission of the developer.

Development of materials for the website

One of the most important parts of designing and building a website is ensuring that the business has permission to use the content. Permission may be needed to use creative material such as photos, music, artwork, links to other sites and software. Current technology makes it fairly easy to use material created by others – film and television clips, music, graphics, photographs, software, text, etc. – on a website. The technical ease of using and copying these works does not mean they can be used without authorization.

Linking

A hyperlink is generally an icon or text that takes a user to another part of a website, or to a different website, when the user clicks on it. Hyperlinks to other websites are a useful service to customers but in many countries there is no clear law on when and how links can be used. In most cases, links are completely legal and no permission is needed from the linked site to include a link. However, some types of link can create legal liability:

- Links that lead web users to sites containing illegal content (a pirated copy of a song, perhaps, or an unlawful software program) may attract legal liability.
- Links that comprise a company's logo (e.g., using the Nike logo) may violate copyright, trademark or unfair competition laws. It makes sense to get permission for them.
- Deep links are links that go straight to a specific page other than a website's home page. For example, instead of linking to the home page of a newspaper, a deep link might take the user directly to a newspaper article within that site. Deep linking is generally not allowed if it is a way of bypassing a subscription or payment mechanism, or if it is expressly forbidden by the site itself. It is necessary in such cases to obtain permission.
- Framing means that a webpage is divided into separate framed regions and the contents of someone else's site are displayed within such a frame in such a way that it is not obvious that what is being viewed is from another website. Inlining or mirroring occurs when a graphic file from another website is incorporated or "inlined" into a website. For example, a user can, without leaving a site, view a picture featured on another site. Framing and inlining are controversial practices, because they can create the impression that the information belongs to the website doing the framing or inlining. Permission should be obtained before engaging in these practices.

Platform and user-uploaded content

Certain websites can be used by users to trade physical goods as well as upload, share and/or trade digital content. Such websites act as a platform with various degrees of control over what material is shared/traded/uploaded. If the material on the website infringes IP rights – e.g., pirated content like the illegal sharing of movies – these platforms may be held liable for the activities of the user base. While the laws differ across jurisdictions – such as with respect to when and how such platforms become liable, what actually constitutes a "platform" or what actions need to be taken by the platform to counter infringing activities – it is advisable that measures are taken to ensure that the platform/website is not used to share/trade/distribute IP-infringing material and that all necessary consents for the material used have been obtained.

Summary

- Domain names are internet addresses and are important business identifiers in the online environment.
- Domain names are obtained through registration.
- Websites are often designed by external parties and contain material that are not exclusively that of the business. These may have IP implications.

Action points – A website will greatly facilitate the reach of a business. Domain names must be registered. Rights to the material included on the website and to the website itself must be ensured.

Common mistake – Assuming that a trademark can automatically be the domain name of the company.

Intellectual property infringement

If the business answered yes to the question "**Do you believe that others are using your [IP] without your permission?**" then it is directed to the "Enforcement" section to answer a series of questions.

The answers to those questions will result in an automatically generated report reflecting the issues of relevance to the company based on the responses given.

The main issues that may arise in the context of IP infringement are indicated below.

For more information see *Enterprising Ideas: A Guide to IP for Startups (2021)* www.wipo.int/publications/en/details.jsp?id=4545&plang=EN and an accompanying infographic www.wipo.int/sme/en/enterprising-ideas

The unauthorized use of IP owned by others can have dire consequences for a business. The IP owner can demand that the use, production, import or sale of infringing goods or the provision of infringing services be stopped, and that the infringing goods be seized and disposed of outside the channels of commerce or destroyed. In addition, damages may be ordered. Ignorance of the law or unawareness that a certain course of action is infringing IP rights of others will not be a valid defense. In certain jurisdictions, and particularly if performed willfully and on a commercial scale, IP infringement even amounts to a criminal offense.

It is therefore important to carry out so-called freedom to operate (FTO) assessments regularly, particularly also before initiating the development of a new product or service. FTO assessments determine whether the making, use, sale or import of a new product or the offering of a new service violates the IP rights of others. An FTO assessment is important in deciding whether to initiate or continue with R&D projects and use or market new products. See the FTO section above for more detail.

Monitoring information sources for IP infringements

For an IP owner, monitoring different information sources to spot potentially infringing activities by others is an essential element of an IP strategy. This is even more important as the responsibility for monitoring infringement is on the owner of an IP right. No public authority is required or will take action without the right holder initiating action. This is because IP matters are, for the most part, a matter of civil law (involving disputes between private parties) and not criminal law (where police or prosecutors need to take actions on their own initiative). Some jurisdictions will nonetheless also have criminal procedures, for example when the infringement is performed willfully and on a commercial scale.

Typical information sources that should be considered are:

- IP databases such as patent databases and trademark databases should be regularly monitored. In some countries, there is no substantive examination of whether to grant IP rights when they are applied for. This decision is deliberately left to the courts or – in many jurisdictions at least shortly after the grant of the IP right – to boards of appeal within the IP offices. Even if an IP office examines the applications for whether they should be granted or not, examiners can make mistakes. The earlier a potentially conflicting IP right is spotted, the sooner remedial action can be taken.
- Some competitors may simply copy the IP into their products and services – either in bad faith and/or unknowingly. Many customs (and sometimes also police) authorities operate databases where details of products incorporating IP can be entered. Once officers identify suspicious goods, they can compare these with the database and alert the right holder so that he or she can (order them to) take action. In the digital world, platforms for the sale/ buying of goods may operate hotlines and similar databases for that purpose.
- A number of specialized service providers help in identifying IP-protected goods and services, pinpointing infringers and/or securing information. These can be private investigator-related services but also engineering services, for example by consultancy firms that disassemble a product and study it to obtain proof of patent-infringing technologies.
- Studies have found that customers and trade fairs have been identified as prime channels where evidence of infringing activity can be found. Customers should be made aware of how they can differentiate the original vs copied goods and services and be incentivized to report on the occurrence of possibly illicit copies. At trade fairs, special attention should be paid to booths that may demonstrate products/services that infringe on IP, as well as visitors to the company's booth who may be trying to find out the secrets behind the products. Many trade fairs offer specialized IP services, often in collaboration with law enforcement, which may be helpful.

Options to deal with infringement

The usual first step in an infringement procedure is to write a cease-and-desist letter. In such a letter, the third party is made aware that they are infringing IP and that this activity should be stopped (together with additional claims, for example for damages). This is often followed by a period of negotiations, which – in most cases – will lead to a settlement out of court. The third party will typically cease its infringing activities or obtain a license.

In the event that the third party objects or does not react, the matter can be escalated to the courts. However, it is important to be aware that judicial enforcement can be a time-consuming and expensive matter, with some risks regarding the outcome. This also explains why most IP disputes are eventually settled out of court. An SME should therefore carefully assess the costs and benefits before taking this step. However, high costs or a very powerful large adversary company should not be the deciding factor. Even with limited funds, there may be options (such as, in some jurisdictions, lawyers working on contingency fees; selling the IP to a firm that is as large as the adversary, which will then enforce the IP; or employing firms specialized in enforcing IP).

One alternative to judicial disputes might be to revert to alternative dispute resolution (ADR) services, such as mediation and arbitration, which are often faster and cheaper. The WIPO Arbitration and Mediation Center (www.wipo.int/amc/en) is a neutral, international and nonprofit dispute resolution provider that offers time- and cost-efficient ADR options. WIPO mediation, arbitration, expedited arbitration and expert determination enable private parties to efficiently settle their domestic or cross-border IP and technology disputes out of court. When parties are involved in a dispute, the WIPO Arbitration and Mediation Center can provide procedural advice to facilitate direct settlement between them or the submission of the dispute to WIPO mediation or arbitration; the center can be contacted by email at arbitrator.mail@wipo.int. The WIPO Arbitration and Mediation Center is also the global leader in the provision of internet domain name dispute resolution services.

It is also important to keep in mind that, where an IP infringement amounts to a criminal offense, the right holder can alert the authorities and request that the matter be investigated. Similarly, where the right holder is aware that infringing goods are being imported into the country, the customs authorities can be requested to suspend the release of these goods into free circulation. In any case, a lawyer specialized in IP litigation should be consulted.

Summary

- Unauthorized use of the IP rights of others amounts to infringement, giving rise to legal consequences that could be very damaging to a business.
- IP owners must monitor the market to spot infringement.
- A cease-and-desist letter is the usual and often effective first step.
- Litigation can often be costly and time-consuming.
- Alternative dispute resolution procedures may be considered.

Action point – Ensure that rights of third parties are not being infringed and likewise that others are not infringing the rights of the company.

Common mistakes – Not realizing the value of the inventive, innovative and creative work of the company and assuming that inventive, innovative and creative works of others are free to use.

Employees, suppliers, independent contractors and consultants

If the business answered yes to the question “Do you rely on external suppliers, independent contractors or consultants for ensuring stocks, getting components, developing material, running advertising campaigns, etc.?” the system automatically produces a report that is available at the top left of the following page, indicated as “Suppliers, Independent Contractors and Consultants,” which deals with the issues of relevance to this topic.

In addition, if the business answered yes to the question “Do you have employees?” the business is directed to the section on employees and invited to answer a series of questions. The answers to those questions will result in an automatically generated report reflecting the issues of relevance to the business based on the responses given.

The main issues that may arise in the context of external suppliers, independent contractors or consultants as well as employees are indicated below.

For more information see *Enterprising Ideas: A Guide to IP for Startups (2021)* www.wipo.int/publications/en/details.jsp?id=4545&plang=EN and an accompanying infographic www.wipo.int/sme/en/enterprising-ideas

Companies rely on the creativity of their employees to continually innovate and grow their business. A successful and innovative business will attract talented staff, further building their creative capacity. Companies need to ensure that they have the right to use the IP developed by their employees and, likewise, employees need to know what rights they have with respect to their innovations and creations.

Generally, the employer has the right to the inventive, innovative and creative work of employees done in the course of employment. While this is a useful rule of thumb, it is important to check the local law to see how this issue is in fact treated in the country, for there could be differences. In any case, it is good practice to deal with these issues at the point of hiring, in employment contracts, so that employees and employers know and understand their rights and obligations. These terms should, of course, abide by the local law dealing with these situations.

Disputes may arise in the event an employee does some work at home or after hours or produces work not within the scope of their ordinary employment. These situations could be avoided if the issue is clarified in the employment contract.

Where, however, an external contractor is hired to develop a new product or process or to create a website or a promotional video, in most countries the rights to those outputs vest in the contractor unless agreed to the contrary. Again, it is therefore very important to clarify these issues in the contract.

The issue of inventions that are developed by third parties, jointly with third parties or for third parties has acquired particular importance today in the context of the increasingly collaborative environment of open innovation. Open innovation, as opposed to closed innovation, accepts that to truly create innovative products there must be an environment that is open to ideas from those outside the organization in question. In the past, innovation was in a closed environment produced within the four walls of an organization, with little input from outside. Today, there is an increasing tendency toward a more collaborative approach where many organizations seek the input of external parties to their projects. The rights of such external parties to the results of their innovative work are something that needs to be ascertained at the outset. This is also an environment that small companies are increasingly looking to participate in and, if they have taken proper steps to manage the IP in their innovations, they become attractive candidates for big companies to work with.

In cases where SMEs are contracted by bigger players to perform certain tasks or to provide solutions to specific technical problems, the ownership of the results of the work they undertake must be determined before the work in question is undertaken. These complex issues need careful preparation and thought prior to embarking on such collaborations.

Apart from the IP rights to the innovative and creative output of employees and independent contractors, there is also the issue of the confidentiality of the business information shared, produced or come into contact within the context of that relationship. The rise of the internet, cloud computing and portable storage devices has increased the risks of information leakage and consequent loss of competitiveness. Businesses have to be mindful of ensuring that their employees are aware of the importance of protecting confidential business information, and that the company does not put itself at risk of being sued for the misappropriation of the confidential business information of its competitors. Good practices take into account the inclusion of confidentiality clauses in employment contracts, prohibiting the disclosure of confidential information acquired in previous jobs, ensuring that employees leave confidential information behind when they leave the job and, in some cases, restricting departing employees for a period of time from engaging in competition or in contacting the company's customers and implementing training programs on company policy on such information. In addition, sharing information with partners, collaborators and independent contractors should be done in the context of confidentiality agreements.

Summary

- Rights to the creative, innovative and inventive outputs of employees usually vests in the employer if they are produced in the course of employment.
- External contractors hired to produce such output usually have a right to these outputs unless agreed to the contrary.
- It is important to check the local law and in any event clarify these issues in employment contracts or contracts with external parties.
- When collaborating with third parties, it is important to clarify the IP rights brought into the relationship or developed within the relationship.
- Confidentiality of information shared in the context of employment or in the course of exchanges with external contractors must also be clarified in contracts or through NDAs.

Action points – Be mindful of the rights of employees and external contractors, clarify rights in collaborations, and ensure confidentiality of information and clarify issues in contracts.

Common mistake – Assuming that, if you paid for it, it is yours.

Access to intellectual property expertise

If the business answered yes or no to the question “**Do you have access to IP services or expertise?**” the system automatically produces a report that is available at the top left of the following page, indicated as “Access to IP expertise.”

The main issues that may arise in this context are indicated below.

For more information see *Enterprising Ideas: A Guide to IP for Startups (2021)* www.wipo.int/publications/en/details.jsp?id=4545&plang=EN and an accompanying infographic www.wipo.int/sme/en/enterprising-ideas

Many businesses have identified the lack of IP knowledge and expertise as a challenge. Small companies rarely have in-house expertise in this area and it is important for them that they have access to advice and support on managing their IP to further their business strategies. WIPO IP Diagnostics is a good entry point, giving users an idea of the IP assets that they have and how they may be valuable to their business. It will also sensitize companies to the risks they face by not taking into account IP issues. With these factors in mind, an IP attorney should be consulted.

The local IP office may also be consulted for preliminary advice. Please see www.wipo.int/directory/en/urls.jsp, as well as the country's TISC, if it exists, which can be found at www.wipo.int/tisc/en/search.

Other organizations provide support to startups and businesses:

- Accelerators help businesses, generally startup companies, to “accelerate” their growth and prepare for venture capital funding. They often provide mentoring from business or legal experts, and in some cases may provide investment in exchange for a share of equity in the business.
- Incubators are like accelerators but may accept startups at a very early stage and assist them to develop an IP strategy and business model for their ideas. Incubators are often associated with universities or venture capital funds and can also provide mentoring by experts to assist with business, legal and other IP issues.
- Technology transfer offices generally operate in universities or research agencies to facilitate the transfer or licensing of IP generated by the university to industry. They can also be a good first contact for businesses seeking access to skilled and highly experienced researchers.
- Government, international organizations and non-governmental organizations can provide startups with assistance and, in some cases, funding.

Other relevant experts:

- Accountants and tax experts can give advice on IP assets, the value that can be ascribed to such assets, and how they are treated from a tax perspective.
- Patent and trademark attorneys can help provide advice on the right type of IP for the business and help in obtaining these rights.
- Branding consultants can help create a name, a trademark, or a full brand or image strategy for a business or for its products or services.
- IP lawyers can provide a legal or ownership framework to protect the business. They can also advise on the establishment of partnerships, joint ventures or franchising, as well as other contractual arrangements (sale, licensing, etc.). They can also provide advice in the event of IP infringement, or where another person is seeking to have the business's IP right revoked or removed from the register.
- Specialized consultants including franchising, licensing, export and management consultants can provide expert advice on the areas of their specialization.

Summary

Small businesses don't have in-house expertise and are reluctant to seek outside expertise.

Action points – Use WIPO IP Diagnostics to get a preliminary assessment and invest in good IP advice early. Seek out the local IP office and, if available in the country, a TISC.

Common mistake – Not seeing the relevance of IP to business competitiveness and business risk until it is too late.
